Influence of Reference Groups in the choice of retail services in petrol Service Stations in Nairobi: The Case of Faculty of Commerce, University of Nairobi Graduate students

By

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DECLARATION

This project is my own original work and has not been submitted for a degree in any other university

Signed...Date....2nd....February....2005
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The project has been submitted for examination with my approval as the university supervisor.

Signed...............................Date...2nd February..2005
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DEDICATION

I would like to dedicate this work to my parents,
Sabina and *Thomas Masese Onchiri*, who taught me to seek
knowledge and to honour truth. I would also like to dedicate this work to
my kid sister *Rita Vanessa Masese*, who is completing her O levels,
I want to urge her and encourage her to reach for the stars.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF GRAPHS

ABSTRACT

Retail service stations in recent years have been experiencing challenging times. Some of the challenges include, increasing crude oil prices, higher pump prices, emergence of new independent players in the market, and an increase in the number of retail service stations. Against that background this study sought to determine how reference groups influence the purchase decisions of consumers of petroleum based retail service stations. The specific objectives of the study were to determine the extent to which reference groups influence the choice of petroleum based retail stations and the type of reference group influences (either informative, normative or comparative) on consumer's choice of petroleum based retail station for service

The study was a descriptive survey that used primary data, collected by use of a questionnaire. The Masters in Business Administration graduate students at the University of Nairobi as at 9th July 2004 comprising 1009 students was taken as the population from which a sample of 200 was selected using convenient sampling

The study revealed that reference groups determine the choice of petroleum based retail stations to a moderate extent, with females relying heavily on husbands for advice on choice, while males rely to a moderate extent on mechanics. The decision on whether to use convenience services is not based on informative influence however one cannot conclude that informative influence does not determine choice of fuel and non fuel servicing because respondents are evenly divided on this issue. Purchase decision of fuel, non-fuel and convenience services is not influenced by comparative reference group influence. Normative influence emanating from family members only, was found to be the most effective in decision making on the choice of retail service stations when it comes to fuel and non fuel related services.

Limitations of this study were that it focused on a highly educated group of respondents drawn from Nairobi only. It was recommended that retail service stations formulate marketing strategies that target the most influential groups such as husbands, males, experienced drivers, and mechanics. It also recommended to better understand consumer susceptibility to interpersonal influence.

CHAPTER ONE

INTRODUCTION

1.1   Background

In the post independence period between 1964 and 1973, Kenya's Gross Domestic Product (GDP) grew on average by 6.6 per cent per year. Mwaura (2002) adds that companies operating during this period grew tremendously and needed or felt no need for strong/strategic brand building activities. Most companies were operating as protected monopolies. Competition was low and the marketing tools that mattered were price and product availability, thus the production concept sufficed (Kibera, 1998).

In the late 1970s Kenya and several other third world countries went into economic crisis. This made them resort to heavy borrowing abroad to pay for their imports and soon they got into difficulties trying to repay back the loans (Messkoub, 1992). Given this difficult situation the third world countries approached the International Monetary Fund (IMF) and the World Bank seeking financial assistance (Messkoub, 1992). The IMF and World Bank in support of their plight granted them financial assistance albeit with some conditionalities, later on referred as Structural Adjustment Programmes, aimed at reforming this economies (Growth Press, 1986). This reforms amounted to liberalisation process that swept through Kenya in the early 1990s opening up the market to stiff competition that led to serious challenges to the traditional premises and practices of marketing (Mbau, 2000).

The liberalisation process precipitated cost optimisation, staff reductions, customer focus, service and quality improvements as. organisations bid to differentiate themselves from competition and gain competitive advantage (Mwaura, 2002). However such responses and others like enhancing the brand strength, corporate image, effective advertising, price, and trademarks, are no longer effective enough in differentiation (Baker, 1994). Indeed there is a need to go back and have a deeper understanding of the customer; customer insights and their buying motivations in order to better satisfy their needs. Kotler (1989) explains that understanding how consumers respond to different product features, prices and advertising appeals can be

1

of enormous advantage to companies. Kotler (1989) adds that consumer behaviour is strongly influenced by cultural, personal, psychological and social factors like consumer's reference groups.

1.2   Reference Groups

Almost all individuals regularly interact with other people who directly or indirectly influence their purchase decisions. Thus the study of groups and their impact on the individual is of great importance to marketers as they are concerned with influencing consumer behaviour (Schiffman and Kanuk, 1999).

A group is described as a social unit which consists of a number of individuals who stand in (more or less) definite status and role relationships to one another and which possesses a set of values or norms of its own. This set of values regulates the behaviour of individual members, at least in matters of consequence to the group (Sherif, 1948). Consumer reference groups are groups that serve as frames of reference for individuals in their purchase decisions (Schiffman and Kanuk, 1999). Reference groups act as points of comparison and source of information thereby providing more assurance and specific identification for their members (Pride and Ferrell, 1991). Reference group theory is based upon the principle that people take the standards of significant others as a basis for making self-appraisals, comparisons, decisions on various social realms (Hyman & Singer, 1968). Substantial to the theory is the fact that these groups have influence, status and power to admit or deny membership to their group (Dawson and Chapman, 2001).

Reference group theory further distinguishes two types of phenomena: normative reference groups and comparative reference groups (Hyman, 1942, Sherif, 1948). A normative reference group is described as a group in which individuals are motivated to gain or maintain acceptance. In normative reference group theory, the group sets and enforces standards for individuals. Such standards are often referred to as group norms; thus we have the "normative function" of reference groups. A comparative reference group is used to describe a group which individuals use as a standard or point of reference in making evaluations or comparisons of themselves and of other individuals or groups. In comparative reference group theory, evaluations of the

individual by members of the reference group is largely irrelevant (Kelley, 1952). In regard to comparative reference groups, the group is merely a standard or checkpoint which individuals or others use to make judgments (Kelley, 1952). Some reference groups, particularly the family friends, neighbours, form the most effective consumer information source as they legitimise their purchase decision (Kotler, 1989). Ultimately most reference groups create pressure for conformity that affects the person's actual product and brand decision. It is therefore important for marketer's to tailor their programmes to the reference groups of their consumers.

1.3   The Petroleum Industry

No other single industry affected 20th century civilisation more rapidly or more profoundly than the oil industry. Throughout the 20th century oil was the great enabler providing from one basic resource fuels for heating, lighting, engine power and lubricants for almost any moving mechanical object (Howarth, 1997). The oil industry in the recent past has gone through significant changes in terms of mergers & acquisitions, reconfiguration of their vertical integrated processes and re-orientation of their respective value chains. Despite the many changes it's going through, the oil industry has a prominent heritage and continues to be an important industry in the world economy (Okaya, 2003).

The oil industry in Kenya has experienced two deregulations, one in 1963 – 1971 and the second one from 1994 to present. Between 1963 and1971 the oil industry was partly deregulated. It was largely owned and managed by the multinational oil companies. They were free to determine the prices of petroleum products on the basis of production costs and profit margins. This era of partial deregulation in the oil industry ended with the government's introduction of price controls on petroleum products in 1971. In October 1994, the oil industry was deregulated again as part of the liberalisation process ushered through the Structural Adjustment Programmes (Okaya, 2003). The deregulation process was meant to dismantle all government controls that hindered the operation of a free market system. This was a positive move to organise the economy on the basis of a free and competitive market in order to enhance economic growth through availability of petroleum products and lower prices (GOK: Economic Reforms for 1996-1998).

Prior to the 1994 liberalisation the oil industry was considered an oligopoly comprising five subsidiaries of multinational corporations that is Shell/BP, Caltex, Total, Agip and Mobil. These companies were perceived to be lacking in marketing flair and often accused by the government of operating like a cartel because of harmonise upward price adjustments (Akumu, 1999). In 1994 the five subsidiaries of multinational corporations (Shell/BP, Caltex, Mobil, Agip and Total) together accounted for approximately 85% of the market share with a paltry 15% going to the local oil company - Kenol Kobil. Immediately after liberalisation the market share controlled by the independent dealers stood at about 1%. But in the year 2000/1 the independent dealers experienced a phenomenal market share growth to about 22% (IPAR, 2001). This is largely attributed to competitive pricing and more so a never-ending price under cutting (Chepkwony, 2001). Other important factors like quality of products and services have taken a back stage.

Liberalisation of the sub sector has witnessed mushrooming of petroleum retail stations that are not only sub standard but also illegal. The independent dealers have been accused of erecting poorly constructed filling stations even in residential areas thus posing grave risks and threat to safety. Another challenge facing the Petroleum industry is the perception that the new entrants in industry are offering substandard or inferior products. Okaya (2003) states that the differential tax regime that makes one product cheaper than the other leads to unscrupulous independent dealers mixing petrol with the cheaper taxed kerosene to creating adulterated fuel. This adulterated fuel is sold to unsuspecting consumers at higher retail prices thus according the dealer's higher margins and an unfair competitive edge. Similarly, dumping of petroleum products meant for export back into the country thus evading duties and levies has also been on the increase (E.A.Standard 27th July 1999).

In a move to reverse this scenario the major oil companies are lobbying for a new petroleum bill that will seek safety, environmental and to ensure that product quality standards are upheld.

Chepkwony (2001) observes that a crowded market and hair thin price variation mean that the country's main oil vendors have to rely on new strategies in their quest for more sales in an increasingly elusive market.

1.3.1 Retail Service Stations

Stranton et al (1991) defines retailing as all marketing activities that are directly related to the sale of goods and services to the final consumer for final non-business use. Retail outlets facilitate for information flow to an organisation as well as providing information to the consumers. Pride and Ferrell (1991) argue that retailing creates place, time and possession utilities to customers by providing an assortment of products that customers need. He further argues that these assortments give customers opportunities to shop, compare and make purchase decisions. Stamfl et al (1998) concurs that retailing creates product and service assortments that anticipate and fulfil customer needs, in addition it offers ready exchange for value to customers through efficient handling of transactions, convenient hours and locations and also provides information to customers. Retailers are a crucial part of the retail chain as they not only perform marketing communication functions but also assume financial risk on behalf of the suppliers (Kotler, 1989).

Stranton et al (1991) and Zikmund et al (1991) concur in broadly categorising retailing into two segments, that is, store retailing and non-store retailing. Stanton et al (1991) defines store retailing as that in which transactions are made on stores. According to Gerry et al (1987) store retailing contributes over eighty per cent of the total volume of trade in retailing. Under this category are supermarkets, departmental stores, convenience stores and retail based retail service stations (Apungu, 2003). Pride and Ferrell (1991) define non-store retailing as that which takes place without consumers visiting a store and includes telemarketing, mail order, automatic vending machines, catalogue retailing, and in home selling.

Petroleum based retail service stations

The main consumer of petroleum products in Kenya is the transport sector, contributing over 1697.1 thousand tonnes in 2001. This represents over 70% of the net domestic sales. Petroleum based retail service stations pump out about 67.9% of

the net domestic sales hence making this channel a critical segment in the petroleum industry (Economic Survey, 2002). There are 1069 petroleum based retail service stations in Kenya, 70% of which are owned by the major multinational oil companies. The retail distribution channel in the Kenya oil industry contributes about 34.2 % of the total market coverage making it the largest market coverage channel (Kimotho, 1999).

Merchandise content in a store is one of the critical factors in retail store selection because customers tend to patronise retail stores that provide a wider selection of merchandise (Stampfl et al, 1998). Retailers who provide service products usually have more direct contact with consumers and more opportunity to alter the product in the marketing mix (Pride and Ferrell, 1991). Karekezi (1999) and Apungu (2003) concur with this as they've observed that petroleum based retail service stations have diversified their product offering beyond just fuel needs to include a host of other products and services that include banking services, tyre and car assessory provision, food courts and convenient shopping facilities. Due to the diverse nature of the retail service stations propositions, petroleum companies have segmented their offerings into fuel retailing, non fuel retailing and convenience retailing (Globe, 2003).

Fuel retailing relates to hydrocarbon sales on and off the retail service station forecourt and includes sales of regular, premium, unleaded premium, diesel and kerosene fuels. Non-fuel retailing relates to the some hydrocarbon sales and provision of auto services on and off the retail forecourts. Hydrocarbon sales in this category are the sale of Liquefied Petroleum Gas (LPG) and lubricants. Lubricants sales covers oil top up and oil change. Auto services refer to air pressure facilities, tyre repair and servicing, car and engine wash. Convenience retailing involves all non-hydrocarbon sales and auto services and are provided outside the forecourt but within the petrol station. Convenience retailing is predominantly sale and merchandising of fast moving good and services. Examples of convenience retailing include food courts, baking and pastry sales, provision of banking and pharmaceutical services and shopping outlets (Globe, 2003).

1.4   Statement of the Problem

With the proliferation of competitors, enormous pressures on nearly all firms to engage in price competition, the profusion of goods and services and the freedom of choice available, today's consumers are forced to evaluate several options that making a choice on what and where to purchase difficult (Aaker, 1996). They have to seek more information from various sources and evaluate each in order to make a better purchase decision (Assael, 1998). Marketer's, in designing their strategies have to take into account the needs of the consumer and particularly the influence of the consumer's characteristics on their purchase decisions.

One of the most important factors that influence consumer's buying decision is reference group influence (Assael, 1998). Consumer reference groups serve as frames of reference for individuals in their purchase decisions (Schiffman and Kanuk, 2001). Reference groups work through common expectations and socialization process (Hawkins et al, 2001). This explains why members of these groups are willing to adjust individualistic interest(s) in order to work on behalf of larger concerns. Members of specific populations believe that it is the commonness of their experiences which sets them apart from other members of society (Dawson and Chapman, 2001). This means those who are members of a reference group have an internalised point of view, articulated this view, and approach with a common understanding, social issues and problems. Students, as a specific population, fall into this information behaviour because in their daily academic engagements they get to share common experiences, which set them apart from other members of society. The value of this is that students will provide a means to examine patterned responses. It is these patterned responses that will increase understanding of how information assists the daily living of members of that small world (Dawson and Chapman, 2001).

Studies conducted in consumer behaviour (Nyaga, 1989, Mukiri 2001, Shariff 2002, Wanjoga 2002) have mainly focused on determinants of buyer behaviour at a general level. Other studies in consumer behaviour have focussed on family decision-making (Nyaga, 1989, Shariff, 2002), attitudes (Ahmed, 1992, Wanjoga, 2002) and perception (Mukiri 2001). No study has focussed on the role of reference groups to the purchase decision. Given the uniqueness of services offered by petroleum based retail service

outlets, consumers would more likely seek more information before purchasing a product or choosing which service outlet to purchase. This information would in turn be useful to management in ensuring superior customer value.

It was deemed important to conduct a study in order to determine how reference groups influence purchase decisions of consumers of the petroleum based retail service stations as marketers would be in a better position to influence the reference groups and ultimately the consumer's choice. This study therefore sought answers to the question, How do reference groups influence the purchase decisions of consumers of petroleum based retail service stations?

1.5   Objectives of the study

The objectives of this study were to determine the:
1. Extent to which reference groups influence the choice of petroleum based retail stations.
2. Type of reference group influences (either informative, normative or comparative) on consumer's choice of petroleum based retail station for service.

1.6   Importance of this study

The results of this study may be of use to the following

a) Management of petrol service outlets who may be in a position to design effective marketing programmes that ensures they provide superior customer value.
b) Potential retail petrol station dealers who need to have a good understanding of the petroleum industry before committing themselves to invest in a crowded market place.
c) Service providers within the premises to improve on their offer which will result in higher customer numbers and business growth. Ultimately their customer pull will result in increased preference for the retail service station which will lead to long term profitability.
d) Other scholars and researchers who may use the findings as a source of reference .

CHAPTER TWO
LITERATURE REVIEW

2.1   Introduction

The underlying framework of this research was based on consumers in their social and cultural settings particularly looking at consumer reference groups.

Consumer behaviour is the study of how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it and how often they use it. Consumer behaviour research goes far beyond these facets of consumer behaviour and encompasses all of the behaviours that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs (Schifmann and Kanuk, 1999).

Consumers do not make the above decisions on a vacuum. Their purchases are strongly influenced by cultural, social, personal and psychological factors (Kotler, 1989). Cultural factors, exhibited by the buyer's culture, subculture and social class, exert the broadest and deepest influence on consumer behaviour. A consumer's behaviour is also influenced by social factors, such as the consumer's reference groups.

In this chapter the concept of reference groups is described with particular emphasis on when, why and how reference groups influence buyer behavior. Further the different types of reference group influence are explained.

2.2   Reference Groups

Almost all consumer behaviour takes place within a group setting (Hawkins et al, 1989). Not every collection of individuals is a group as sociologists use the term. Three different collections of people can be distinguished: aggregations, categories and groups (Loudon and Bitta, 1979). An aggregation is any number of people who are in close proximity to one another at a given time. A category is any number of people who have some particular attributes in common. A group consists of people

who have a sense of relatedness as a result of interaction with each other (Dressler and Carns, 1973). Hawkins et al (1998) further defines a group as two or more individuals who share a set of norms, values or beliefs and have certain implicitly or explicitly defined relationships to one another such that their behaviours are interdependent.

The theory of reference groups has developed across the various fields of sociology, anthropology, marketing and consumer behaviour. A psychologist, Herbert Hyman, who was studying social status, coined the term reference group in 1942. According to Hyman, a reference group was the group against which a person would compare himself or herself to determine his or her own social standing in the community (Wilkens, 1990). Like many other concepts borrowed from behavioural sciences the meaning of 'reference group' has changed over the years.

In the field of consumer behaviour, the term reference group has broadened to mean a group to whom we look for guidance for our own behaviour (Wilkens, 1990). According to Schiffman and Kanuk (1999) a reference group is any person or group that serves as a point of comparison (or reference) for an individual in forming either general or specific values, attitudes or behaviour. The diverse nature of this definition is enhanced by the fact that it doesn't suggest any restrictions on group size or membership and neither does it require that consumers identify with a tangible group. Schiffman and Kanuk (1999) add that this definition when applied to marketing can be redefined to state that the reference group serves as a point of reference for individuals in their purchase or consumption decision. Lessig and Park (1978) define a reference group as actual or imaginary institutions, individuals or groups having significant relevance on the target individual's evaluations, aspirations or behaviour. Jonathan et al (1970) defines a reference group as a group which serves as a standard or model for an individual's own behaviour and attitudes. It is a group to which a person refers for guidance and evaluation of his own thoughts and actions. A reference group is a group that an individual uses as a guide for behaviour in a specific situation (see Stafford and Cocanougher, 1981, as reported in Hawkins et al, 1989).

Reference groups recognise the fact that an individual's behaviour is influenced by others' influence. Portrayal of products being consumed in social situations and the use of prominent attractive salesmen endorsing such products is evidence of this belief (Bearden et at, 1989). A group is a reference group when an individual identifies with the group so much that he or she takes on many of the values, attitudes or behaviours of group members (Pride and Ferrell, 1991). Assael (1993) definitions of a reference group closely mirrors that of Pride and Ferrell (1991) by stating that a reference group is a group that serves as a reference point for the individual in forming his or her beliefs, attitudes and behaviour.

When do Reference Groups Exert Influence on Buyer Behavior

The influence a group exerts on an individual's purchasing behaviour depends on three factors namely the individual's attitude to the group, the nature of the group, and the nature of the product (Assael, 1998).

Attitude Toward the Group

Bearden and Rose (1990) found that an individual's purchasing behaviour is more likely to be influenced by a group when the following conditions apply.

(a)   If the individual views the group as a credible source of information about the product or service (Miniard and Cohen, 1983). An individual, who has first hand experience with a product or service or can easily obtain full information about it, is less likely to be influenced by the advice or example of others. On the other hand, a person who has little or no experience with a product or service and does not expect to have access to objective information about it is more likely to seek out the advice or example of others.

For instance, when a recent college graduate wants to impress her boy friend, she may take him to a restaurant that she knows from experience to be good or to one that has been highly recommended by the local newspaper. If she has neither personal experience nor information she regards as valid, she may seek the advice of friends or imitate the behaviour of others by taking him to a restaurant she know is frequented by young business executives whom she admires (Batra et al, 1996).

(b)   If the individual values the views and reactions of group members regarding purchase decisions (Calder and Burnkrant, 1977). The individual is influenced by the group to the extent that he or she accepts the rewards and sanctions meted out by the group for appropriate or inappropriate behaviour (Allen, 1965). A pertinent factor to consider about the nature of the individual is his traits and characteristics. To this end, consumer researchers have developed the concept of consumer susceptibility to interpersonal influence.

Consumer susceptibility to interpersonal influence
The degree to which a reference group influences a purchase decision depends upon the individual's susceptibility to reference group influence and the strength of involvement with the group (Pride and Ferrell, 1991). Broadly described, consumer susceptibility is the study of traits of consumers who are likely to be responsive to the influence of others. Bearden et al (1989) defines consumer susceptibility

"as the need to identify with or enhance one's image in the opinion of significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions and/or the tendency to learn about products and services by observing others or seeking information from others".

Consumer susceptibility to interpersonal influence is hypothesised as a general trait that varies across individuals and is related to other individual traits and characteristics (see McQuire, 1968,as reported in Bearden et al, 1989).

A review of literature around the topic of consumer susceptibility to interpersonal influence suggests that a person's relative influence ability in one situation tends to have a significant positive relationship to his or her influence ability in a range of other social situations (Bearden et al, 1989).

Nature of the Group
A reference group that is perceived as credible, attractive or powerful can induce consumer attitude and behaviour change. For example, when consumers are

12

concerned with obtaining accurate information about the performance or quality of a product or service, they are likely to be persuaded by those whom they consider trustworthy and knowledgeable. That is, they are more likely to be persuaded by sources with high credibility (Batra et al, 2001).

Assael (1998) suggests that reference groups are more likely to influence a member's behaviour if they are cohesive and if the members have similar norms and values. A customer's behaviour may change to be more in line with the actions and beliefs of group members. This could be the case when consumers are primarily concerned with the acceptance or approval of others they like, with whom they identify, or who offer them status or other benefits, they are likely to adopt their product, brand or other behavioural characteristics (Batra et al, 2001). Conversely consumers could be primarily concerned with the power that a person or group can exert over them and as a result they might choose products or services that conform to the norms of that person or group in order to avoid ridicule or punishment. However, unlike other reference groups that consumers follow because they are credible or because they are attractive, power groups are not as likely to cause attitude change (Schifmann and Kanuk, 1999). Schifmann and Kanuk (1999) concludes by stating that individuals may conform to the behaviour of a powerful person or group but are not as likely to experience a change in their own attitudes

Reference groups are more likely to influence a member's behaviour if they are frequently interacting thus creating more opportunities to influence members. Distinctiveness and exclusivity that group's membership highly valued (Assael, 1998).

Another important characteristic of reference groups is that they can influence behaviour according to the specific situation. When a person is actively involved with a particular group, it functions as a reference group, however as the situation changes the individual could base their behaviour on an entirely different group. Indeed, individuals may belong to many groups simultaneously but they use only one group as a point of reference in any given situation (Hawkins et al, 1989). Batra et al (2001) adds that different reference groups may influence the beliefs, attitudes and behavioural of an individual at different points in time or under different

circumstances. For example, the dress habits of a young male executive may very, depending on his place and role.

Nature of the Product

Group influence is strongest when the use of product or brand is visible to the group (Hawkins et al, 1998). Groups are more likely to be influential for visible products such as clothing, cosmetics and furniture and for exclusive products that might connote status (Bourne, 1956). The potential influence of a reference group on a purchase decision varies according to how visually or verbally conspicuous the product is to others. A visually conspicuous product is one that will stand out and be noticed, like a luxury item or novelty product. A verbally conspicuous product may be highly interesting, that is, it may be easily described to others. Privately consumed products that are less conspicuous like canned fruits and laundry soaps are less likely to be purchased with a reference group in mind.

In addition, one researcher has found that the effects of reference group influence on the product decision and on the brand decision depend upon the type of product (Bourne, 1956). Purchase decision refers to the decision regarding whether or not to buy a general type of product, such a typewriter. "Brand decision" deals with the selection of a specific brand. The purchases of some products and brands are affected by reference group influence, while the purchases of other products and brands are not (refer to the table below). Generally, the more conspicuous a product is, the more likely reference groups will influence the brand decision.

Effects of Reference Group Influence on Purchase Decisions and Brand Decisions of selected Products:

Products for which both the purchasing decision and the brand decision are strongly influenced by reference groups:			
Cars		Beer	
Cigarettes		Drugs	
Products for which neither the purchasing decision nor the brand decision is influenced by reference groups			
Soap	Laundry soap	Canned peaches	Radio

Products for which the purchasing decision is not strongly influenced by reference groups, but the brand decision is strongly influenced by reference groups		
Clothing	Refrigerators	Magazines
Furniture	Toilet soap	
Products for which the purchasing decision is strongly influenced by reference groups but the brand decision is not strongly influenced by reference groups		
Air conditioners	Instant Coffee	Black and white TV sets

Source: Francis S. Bourne, Group Influence in Marketing and Public Relations, Foundation for Research on Human Behaviour, Ann Arbor, Michigan, 1956.pp 7

Characteristics of Reference Groups

However desirable if would be to distinguish between groups in terms of size or complexity this exercise would be futile as would be difficult to offer a precise point at which a group is considered large or small (Schiffman and Kanuk, 1999). Schiffman and Kanuk's (1999) definition of reference group states that a reference group could be any person, hence one member as is the case with opinion leaders and celebrities, or a group of persons. As group size increases, interpersonal contact tends to decrease (Hawkins et al, 1989). In the realm of consumer behaviour, the small groups are of particular main interest because such groups are more likely to influence the consumption behaviour of members (Schiffman and Kanuk, 1999). To support the Schiffman and Kanuk's (1999) claim that group size is not important. Pride and Ferrell (1991) state that the person who sees a group as a reference group may or may not know the actual size of the group.

Pride and Ferrell (1991) and Hawkins et al (1998) suggest that most consumers belong to a number of different groups and would like to belong to several others. When consumers are actively involved with a particular group it generally functions as a reference group, as the situation changes, behaviour also changes and is based on an entirely different group, which then becomes the reference group. Thus consumers may belong to many groups simultaneously, but generally use one group as a point of reference in any given situation.

Hawkins et al (1998) classifies groups according to these three criteria (1) Membership, (2) Type of contact and (3) Attraction.

Membership

A membership criterion is dichotomous: either one is a member of a particular group or one is not (Hawkins et al, 1998). Membership groups are those to which the individual belongs. Batra el al (2001) states that reference group concept goes beyond tangible membership and includes imaginary groups by acknowledging that aspiration to belong to a group is sufficient to warrant inclusion into the reference group concept. Schiffman and Kanuk (1999) suggest that a person belongs to membership group if they belong or qualify to belong to a group. Examples of a membership group include a college alumni association, the American Marketing Association or a group of women playing tennis weekly. Assael (1998) describes the family and it members, close relatives and neighbours as a membership group. Membership in some groups is automatic by virtue of the consumer's age, sex, education and marital status (Loudon and Bitta, 1979).

Non-membership groups are those to which the individual does not presently belong. These are groups that the consumer can either identify with or admire (Solomon, 1996). Schiffman and Kanuk (1999) suggest that if an individual does not qualify or receive membership from a group, yet this individual acts like be a member by adopting the group's values, attitudes and behaviour, then this is considered to be a symbolic group. For example a professional golfers association would be a symbolic group for an amateur golfer who identifies with certain players by imitating their behaviour (by purchasing a specific brand of golf clubs or balls) however the amateur golfer might probably never qualify for membership into the professional golfers club as he lacks the skills. Loudon and Bitta (1979) add that many of these groups are likely to be anticipatory or aspirational in nature, that is, those to which the individual aspires to belong. Assael (1998) gives the example of a professional tennis player as an aspirational reference group for a tennis enthusiast; similarly motor sport drivers are a reference group for rally enthusiasts.

Membership as discussed above suggests that an individual belongs to a group as is the case with membership or symbolic groups, or alternatively one is a not a member

of any group. Before acting, consumers might consider whether purchase or use of a product would be consistent with one's role as a member of one of these groups. Individuals frequently purchase products thought to be used by a desired group in order to achieve actual or symbolic membership in the group. The key point is that the relationship between the target individual and the reference group should be motivationally and psychologically significant (Bearden and Etzel, 1982).

Type of contact

Type of contact refers to how much interpersonal contact the group members have with each other (Hawkins et al, 1989). Solomon (1996) describes this degree to which members of a group are attracted to each other and value their group membership as group cohesiveness. Smaller groups tend to be more cohesive because it is more difficult to relate to larger groups of people. As group's sizes increases, interpersonal contact decreases. Type of contact yields to categories of groups, primary groups and secondary groups

Primary Groups and Secondary Groups

The main distinguishing factor among in primary versus secondary groups is the degree of contact. Primary groups are characterised by frequent interpersonal contact (Hawkins et al, 1989). Schiffman and Kanuk (1999) supports this view by suggesting that a primary group is one where a person interacts regularly with other individual but also adds that perceived importance of the groups could also be used as a differentiate. Wilkens (1990) describes a primary group as a small, intimate group of people who relate to each other in direct, personal ways. In contrast groups characterised by limited interpersonal contact are referred to as secondary groups (Hawkins et al, 1989). Wilkens (1990) defines secondary groups as those, which are less closely involved in a personal sense and are more often organised and focus on skills or interests rather than on personality. Common examples of secondary groups include school, company and professional associations. Thus an individuals family, neighbours or co workers, close friends could either be a primary or secondary group depending on the frequency or consistency with which he individuals interact. The degree of contact is also used by Solomon (1996) in his description of propinquity, which he defines as the physical nearness. Studies on friendship patterns in a housing complex showed that residents were much more likely to be friends with the next door

people rather than those living two doors away, similarly people living near staircases had more friends that those at the ends of the hall. Thus physical structure has a lot to do with whom consumers get to know (Solomon, 1996).

Attraction

Attraction refers to the desirability that membership in a given group has for the individual (Hawkins et al, 1989). Reference groups can thus be classified as whether they attract or repel the consumer. This can range from positive to negative. As an example, a positive reference group for the upwardly mobile may be the "country club crowd" (Loudon and Bitta, 1979). Reference groups can also be viewed negatively. An individual may belong to or join a group and then reject the group's values; this type of group would be a disclaimant group for the individual (Assael, 1998). Also, if an individual regards membership in a particular group as something to be avoided then such a group is a dissociative group (Assael, 1998). Solomon (1996) describes this groups that individual's try to distance themselves from as avoidance groups.

Solomon (1996) describes another classification criteria of reference groups into formal and informal groups.

Formal Groups and Informal Groups

The distinguishing criteria is among the above is the extent to which the group structure, members' roles and the group's purpose are clearly defined. Formal groups are those with highly defined structures, specific roles, authority levels and specific goals (Assael, 1998). Larger, formal groups tend to be more product or activity specific and are thus high in comparative influence (Solomon, 1996). Examples of formal groups are diverse and range from political parties to professional associations. Informal groups tend to be smaller and are perceived to exert a more powerful influence on individual consumers because the groups are high on normative influence (Solomon, 1996).

2.3   Why and how Reference Group Influence Buyer Behavior

Reference groups have certain characteristics that affect their influence on consumers. They establish norms, roles, values, status, socialization and power (Assael, 1998).

Norms are general expectations about behaviour that are deemed appropriate for all persons in a social context; regardless of the power they hold (Hawkins et al, 1998). Assael (1998) describes norms as the generally undefined rules and standards of conduct that groups establish which relate to appropriateness in all aspects of behaviour and could include eating habits, makes of cars or brands of cosmetics. Norms arise quickly often without verbal communication or direct thought, any time a group exits (Hawkins et al, 1998).

Values are shared beliefs among group members as to what behaviour are desirable or undesirable (Assael, 1998). Values are largely defined by cultures and subcultures but they do vary substantially by family and peer group, thus one family may place more value on social status and another on personal enhancement.

Roles are the function that an individual assumes or that the group assigns unto the individual (Assael, 1998). In family decision making the following roles have been identified: the influencer, the gate keeper (one who has most control over the flow of information into the group), the decision maker, the purchasing agent and the consumer One individual consumer is placed in various social roles throughout their lives. Some of these roles we voluntarily seek out and acquire like that of a successful businessperson, others are ascribed to us by society like age and sex roles. When consumers "play" a role, they use consumer goods to symbolise that role to perform adequately in it. For example, someone playing the role of an athlete has to own, and show others that he owns, the right sports equipment (Batra et al, 2001).

Since we are not all brought up knowing how to perform these roles, we look to others – to reference groups, actual or depicted in media – to learn how that role is played, when we are uncertain about what to do in a social situations, we turn to others for guidance. Media stereotypes, direct contact and instructions, and advertising are all important here, and advertising can use this influence to link the brand in question to the successful performance of a certain role.[1]

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[1] Aaker David (1996), Building Strong Brands, New York, Free Press.

Status refers to the position the individual holds within the group (Assael, 1998). Most social groups have a social stratification in which artificial divisions are created forming a status hierarchy that is more or less permanently ranked for the purpose of rewarding resources. This resources could go to the people who've earned them through hard work, hence allocation through achieved status. Alternatively, rewards may be given to some lucky few who are richer or more beautiful hence ascribed status (Solomon, 1996). Consumers sometimes purchase products to demonstrate status in a broader societal sense so that the message is one of wealth and implied superiority, thus elegant dress and expensive cars maybe status symbols (Assael, 1998).

A group's power can have major influences on an individual. Solomon (1998) describes social power as the capacity one individual has that enables him to make someone else do something, whether they do it willingly or unwillingly. Wilkens (1990) definition of social power concurs with the views if Solomon (1998) as he defines social power as the potential influence that an individual or group can have over a person. The following classification of power base have been established

Referent Power: The power is based on an individual's desire to identify with an individual or members of a group (Assael, 1998). In a marketing context, if a consumer admires the qualities of an individual, then he or she will try and imitate those qualities by copying the referent's behaviour, like choice of clothing, cars and leisure activities. Referent power is important because consumers voluntarily change behaviours to please or identify with a referent (Solomon, 1998).

Expert Power: This is borne out of an individual's experience and knowledge (Loudon and Bitta, 1979). A consumer may accept a friends or sales representative's purchase recommendation if this sources of recommendation are more knowledgeable or experienced with the product (Assael, 1998). Advertisers employ it by having celebrities recommend certain products (Hawkins et al, 1998).

Reward Power: Loudon and Bitta (1979) and Assael (1998) concur in describing reward power as that based on the perception one has of another's ability to reward him. The strength of reward power increases with the size of the rewards that an

20

individual perceives another can administer. In a marketing perspective, marketers use reward power by making high quality products and services and the consumers respond by repurchasing from the company.

Legitimate Power. This power is granted by virtue of social agreements, for instance the legitimate power conferred by a uniformed policeman or professional (Solomon, 1998). This power stems from members perception that the group has a legitimate right to influence them. Legitimate power is aptly applied in a family set up where each family members plays to a prescribed role, thus the father is expected to perform certain roles while the mother is expected to perform others. Marketers utilize legitimate power in communications by appealing to consumers' internalised values (Hawkins et al, 1998).

Coercive Power. This is the power to influence behaviour through the use of punishment or withholding rewards. Punishment in this context is perceived as psychological sanctions (Loudon and Bitta, 1979). Wilkens (1990) explains that coercive power wrests on threats, real or imagined, that the group could impose on the member if he or she does not comply with the recommended behaviour. There is mixed reactions however, about the applicability of these powers in a marketing context. Solomon (1998) suggests that this power is not applicable in marketing because it does not produce permanent attitudinal or behavioural change. However Loudon and Bitta (1979) suggest that inducing fear and possible cases of embarrassment in advertisements such as life insurance and deodorants can lead to consumer reaction.

2.4 Types of Reference Group Influence
Informational influence

Informational influence occurs when an individual uses the behaviours and opinion of reference group members as potentially useful bits of information (Hawkins et al, 1998). The main objective that motives the individual to seek informational influence is desire for knowledge (Burnkrant and Cousineau, 1975). Assael (1998) reaffirms this statement by saying that a consumer will accept information from a group if he or she considers the group a credible source of information and expertise and if he or she

believes the information will enhance knowledge about product choices. Informational reference group pertains to situations in which low knowledge consumers seek information from other people, friends, or salespeople, or media personalities that they consider experts in the product category (Batra et al, 2001). A consumer using an informational reference group may (1) actively search for information from opinion leaders or some group with the appropriate expertise or (2) come to some conclusion through observing the behaviour of other people. Thus actual physical interaction with the group is not necessary in this type of information search (Loudon and Bitta, 1979). The type of power base that prevails when individual's seek informational influence is expert power (Burnkrant and Cousineau, 1975).

Normative influence or utilitarian influence

This occurs when an individual fulfils group expectations to gain a direct reward or to avoid a sanction (Hawkins et al, 1998). The second kind of influence refers to situations in which consumers identify with a group to enhance their self-image and ego or comply with a group's norms to gain rewards or to avoid punishments (Batra et al, 2001). The main objective that motives the individual to seek normative influence is the desire to get rewards or rewarded (Burnkrant and Cousineau, 1975). Assael (1998) refers to this influence as that influence a group exerts on its members to conform to its norms and expectations.

Social behaviour/factors as identified by Kotler (1989) has an influence on consumer behaviour through reference groups. An understanding of the nature social group influence or conformity to group expectations is critical in order to better understand the mechanisms that makes group influential. Conformity is a key aspect of the nature of reference group influence. Conformity is the tendency to want to be like relevant and significant others (Hawkins et al, 1989). Solomon (1996) describes conformity as a change in beliefs or actions as a reaction to real or imagined group pressure. In order for a society to function, its members have developed norms and there is a general agreement within society about which norms should be obeyed and members adjust their ways of thinking, behaviour and consumption to conform to these norms. Conformity to group norms is the ultimate goal of normative influence, as it means

22

that consumers will buy the brands and product categories the group approves (Assael, 1998). A consumer is motivated to confirm to the norms and behaviour of the group if the individual it committed to the group and values membership in it. Assael (1998) further states that if the group provides significant rewards for compliance and punishment then the individual's behaviour will confirm to comply with that of the group's. The greater the commitment to the group the greater the importance of rewards and punishments. The primary reward for compliance with group norms is acceptance and the power base that prevails in normative influence is reward or coercion power (Burnkrant and Cousineau, 1975).

Identification influence (also called value experience influence)

Assael (1998) also calls this influence comparative influence and he describes it as the process of comparing oneself to other members of the group and of judging whether the group would be supportive. This is based on consumers behaviour of constantly comparing their attitudes to those of members of important groups, in so doing they seek to support their own attitudes and behaviour by associating themselves with groups with which they agree and by dissociating themselves from groups with which they disagree. The main objective that motives the individual to seek comparative influence is the individual's desire for self maintenance and enrichment (Burnkrant and Cousineau, 1975). Hawkins et al (1998) adds that this influence occurs when individuals have internalised the group's values and norms which then guide the individuals' behaviour without any thought of reference group sanctions or rewards.

This statement however is in contrast to Assael (1998) who attributes comparative influence to referent power, which is based on the group's ability to reward the individual. Loudon and Bitta (1998) and Hawkins et al (1998) both agree that with this influence, the consumer accepts the groups values and behaviours as his or her own and this acceptance would guarantee the desired relationship to the group and the self image provided by this relationship. Comparative influence implies that those being influenced should have characteristics similar to those doing the influencing and it may also occur due to proximity (Assael, 1998). The power base that is attributable to comparative reference group appeal is referent power (Burnkrant and Cousineau,1975).

The Table below lists various types of statements that illustrate informational, comparative and normative influences. Park and Lessig (1977) used the statements in a study to determine the relative importance of these three influences in the selection of 20 products. Statements 1 and 2 reflect the objective of seeking information from expert sources or friends and neighbours with reliable information. Statement 3 is regarded as an important source of information.

Statements reflecting the various types of reference group influences

Informational influence
The individual seeks information about various brands of the product from an independent group of experts or those who work with the product as a profession
The individual seeks brand-related knowledge and experience (such as how Brand A's perfume compares to Brand B's) from those friends, neighbours, relatives or work associates who have reliable information about the brands
The individual's observation of what experts do influences his or her choice of a brand (such as observing the type of car that police drive or the brand of TV that repair people buy)
Comparative Influence
The individual feels that the purchase or use of a particular brand will enhance the image that others have of him or her
The individual feels that the purchase of a particular brand helps show others what he or she would like to be (such as an athlete, successful business person, etc)
The individual feels that those who purchase a particular brand possess the characteristics that he or she would like to have
The individual sometimes feels that it would be nice to be like the type of person advertisements show using a particular brand
The individual feels that the people who purchase a particular brand are admired or respected by others
Normative Influence
The individual's decision to purchase a particular brand is influenced by the preferences of people with whom he or she has social interaction
The individual's decision to purchase a particular brand is influenced by the preferences of family members
The desire to satisfy the expectations that others have of him or her has an impact on the individual'

Source: C. Whan Park and V. Parker Lessig," Students and Housewives: Differences in Susceptibility to Reference Group Influence," Journal of Consumer Research 4 (1977), pp 105

2.5   Summary

A group is simply more than a collection of individuals who happen to be in the same place at the same time, it usually has a continuing life and its members share a sense of belonging to it. Small, informal, primary membership groups are of the greatest interest to marketers because they exert the greatest potential influence on consumption decisions.

Group influence varies with the nature of the individual, nature of the group and nature of the product. Depending on the nature of the product group influence has little influence on buyer behaviour.

Advertisers and marketers rarely appeal to the desire to avoid or disclaim a group, neither do they appeal for non-conformity or dissociation from certain groups. Thus marketing efforts tend to focus on positive reference groups, namely membership and aspiration groups.

In order for society to function, its members develop norms, or unspoken and informal rules that govern behaviour and many aspects of consumption. Conformity is a key aspect of the nature of reference group influence. Consumers confirm to this norms of behaviour and consumption to avoid group pressure. Conformity to group norms is the ultimate goal of normative influence, as it means that consumers will buy the brands and product categories the group approves. In contrast, informational influence refers to conformity that occurs because the group's behaviour is taken as evidence about reality.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1   Research Design

This was a descriptive survey aimed at determining the extent and type of reference group influence on the choice of retail service station. A descriptive survey aims at determining the who, what, when, where and how of a phenomenon (Cooper and Emory, 1995) which is the focus of this study.

3.2   Population

The population of interest in this study included all Faculty of Commerce MBA students who are motorists in University of Nairobi. This group was chosen because MBA students are more likely to own vehicles hence consume the services of petroleum based retail service stations. This is a fairly homogenous group.

3.3   Sample frame

The list of MBA students in the Faculty of Commerce was obtained from the MBA co-ordination office on the 9th July 2004. The total population was 1009 MBA students.

3.4   Sample and sampling design

A sample of 200 respondents was chosen for the study. The response rate of 197 questionnaires was considered excellent due to the fact that not all the 1009 students drive. This represents 19.8 % o f the total MBA student population. This sample size conforms to the widely held rule of thumb that, to be representative, a sample should have thirty (30) or more test units (Wayne and Terrel, 1975). This is also supported by Cooper and Emory (1995) who observe that in a population of 10 million, a sample of more that 2 million can be misleading while a sample of 1,000, drawn in the proper manner can be more than adequate.

Convenient sampling method was used to select the specific sample members from the population. MBA graduate students attending evening classes was identified from the MBA coordination office and were issued with the questionnaires as they drove and parked into the university parking area. The filled questionnaires were then

collected in MBA evening classes as identified from the MBA coordination office while questionnaire's issued in class to replace those that were either forgotten in cars or for those students who did not drive into the university parking area. Random sampling method was not considered appropriate for this study, as it would have been difficult to trace the students.

3.5   Data collection

Primary data was collected using a structured questionnaire. Questionnaires were distributed in class and completed as the researcher waited.

The questionnaire was divided into three sections. Section A contains general information questions. Section B is designed to generate information for objective 1. It comprises two questions on a Likert scale. The questions are part of a two-factor 12-item scale measurement tool developed by Bearden et al (1989) to measure informational and normative influence. Section C is designed to generate information for objective 2 which refers to the factors, that is informational, comparative or normative factors, that influence consumers to resort to their reference group, in determining the choice of services in a retail service station. It comprises questions, which were adapted by Park and Lessig (1977).

3.6   Data analysis

The study, having been modelled on description, adapted descriptive statistics. Data in Section A of the questionnaire, the general information, was analysed by use of percentages and frequency tables. Data on the Likert scales in Section B and C of the questionnaire was analysed by use of frequency tables and mean scores of the type of reference groups that influence the choice of retail service station. Mean scores, standard deviations and coefficients of variation for each type of reference group (or variable) were used to rate the relative importance of each type of reference group. Percentages were used to determine the type of reference group influence (either informational, comparative or normative) that are important in selecting the services in a retail service station.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1   Introduction

There were two research objectives in this study. First was to determine the extent to which reference groups influence the choice of petroleum based retail stations. Secondly, to determine the type of reference group influences (either informative, normative or comparative) on consumer's choice of petroleum based retail station for service. The study focused on the research question " How do reference groups influence the purchase decisions of consumers of petroleum based retail service stations?"

Primary data was collected using a questionnaire. Out of the 200 respondents in the study, 197 completed and returned the questionnaires. This represents 98.5 percent response rate or 19.5 percent of the entire postgraduate student population in the faculty of commerce at the University of Nairobi. The responses were analysed and presented in sequential order as per the questionnaire, starting with the general information from section A and closing with the type of reference group appeal (either informational, comparative or normative) in section C. Under general information in section A, the demographic profile of the respondents is determined and cross tabulated against gender of the respondents. The following sections are presented as follows: respondents who decide and those who not decide the choice of retail service station; importance or level of influence of reference group; products or brands purchased; informative influence; comparative influence; and normative influence.

The opinions or attitudes of the respondents in section B and section C were captured on a five –point scale and in some cases on a YES, NO or DON'T KNOW scale. The following scheme on the factor analysis was used to interpret the results:

LABEL	RANGE OF MEANS
To a very great extent	4.50-5.00
To a great extent	3.50-4.49
To a moderate extent	2.50-3.49
To a lesser extent	1.50-2.49
To no extent at all	1.00-1.49

An alternative five-point scale (below) was used on the question of importance of reference groups in the determination of the choice of retail service stations.

LABEL	RANGE OF MEANS
Critically important	4.50-5.00
Very important	3.50-4.49
Moderately important	2.50-3.49
Less important	1.50-2.49
Not important	1.00-1.49

The above five point scale was also analysed statistically and responses ranked using mean scores to determine the most sought after source of reference group recommendation and also the most important source of reference group recommendation for retail service stations.

4.2 Demographic profile of respondents

In this section the demographic profile, that is, gender, age and marital status of the respondents are analysed to determine if they influence the choice of retail services station.

4.2.1 Gender of respondents

The general information of the questionnaire sought to determine the gender of the respondents. The results of are summarised as indicated below

29

Table 1: Gender of respondents

Gender	Frequency	Percentages
Female	79	40%
Male	118	60%
TOTAL	197	100%

Forty (40) percent of the respondents were female and sixty (60) percent were male. This could be attributed to the fact that there are more male graduate students then their female counterparts enrolled in the MBA graduate programme.

4.2.2 Age of respondents

One of the other demographic factors that was sought in the general information was the age of the respondents. Responses to this questions were further cross tabulated against the gender of the respondents as determined in table 1 above. The results of this analysis are presented below

Table 2: Age of respondents

Age in Years	Female	Male	TOTAL	Percentages
Below 24	6	4	10	5%
25 to 34	53	57	110	56%
35 to 44	19	46	65	33%
Above 45	2	10	12	6%
TOTAL	80	117	197	100%

Chi-Square = 10.516, DF = 3, P-Value = 0.015
2 cells with expected counts less than 5.0

The dominating age bracket was 25 to 34 years represented at fifty-six (56) percent, followed by 35 to 44 years at thirty three (33) percent, i.e. eighty –nine (89) percent of the responds fall into the age bracket of between 25 to 44 years. There is also evidence of association between gender and age with a chi-square of 10.516 and p-value of 0.015.

4.2.3 Marital status of respondents

The marital status of the respondents, as part of the demographic profile was also sought and this was further analysed with respect to gender split. The results of this analysis are presented in table 3 below

Table 3: Marital status of respondents

Marital Status	Female	Male	Total Frequency	Percentages
Single	29	39	68	34%
Divorced	5	0	5	3%
Widowed	0	1	1	1%
Married	44	78	122	62%
Separated	2	0	2	1%
TOTAL	80	118	198	100%

Chi-Square = 12.099, DF = 4, P-Value = 0.017

In terms of marital status the married group dominated at sixty two (62) percent, followed by single that was thirty four (34) percent. The widowed or separated were a mere one (1) percent each and in a number of stages dropped from the statistical analysis due to small number of observations. The chi-square test was used to determine whether the genders (male and/or female) contain equal proportions of marital (single, married, divorced, separated and widowed) status, i.e. that the gender and marital status are independent. In table 3 above an attempt is made to establish this relationship between gender and marital status. Establishing this relationship is useful in identifying whom to target in case an advertisement campaign is initiated. The chi-square of 12.09 and p-value of 0.017 indicate that there is evidence of association between these variables, gender and marital status; and that more males than females are married.

4.3 Demographic profile and choice of retail service station

This study sought to find out the proportion of respondents that make a choice of the retail service station. Eighty-four percent of respondents claimed they made the choice of retail service stations and only sixteen percent do not. This is indicated in table 4. Age is not a factor in the determination of choice of retail service station, i.e.

it is difficult discriminating those who choose a retail service station on the basis of respondent's age. The chi-square of 4.020 and P-value of 0.403 of choice of retail service station on age is not statistically significant at p-value 0.10 cut off. Analysis on marital status in table 5, shows that marital status is not useful in explaining determination of choice i.e. determining the choice of retail service station is independent of marital status- (chi square 0.730,and P-value of 0.948).

Table 4: Age and Determination of Choice of Retail Service Station

Age bracket in years	NO	YES	TOTAL
Below 24	1	9	10
25-34	16	93	109
35-44	10	54	64
45 & Above	4	7	11
TOTAL	31	163	194

Chi-Square = 4.020, DF = 3, P-Value = 0.403

Table 5: Marital Status and Determination of Choice of Retail Service Station

STATUS	NO	YES	TOTAL
Single	10	57	67
Divorced	1	4	5
Widowed	0	1	1
Married	20	100	120
Separated	0	2	2
Total	30	164	195

Chi-Square = 0.730, DF = 3, P-Value = 0.948

However gender is a factor in the choice of retail service stations (see table 7) with a chi-Square = 3.139 and a p-value = 0.076. Compared to males, fewer females determine the choice of retail service station. Females who do not determine the choice of retail and therefore rely on others are 17 (21.52 %) out of 79 respondents; whereas only 14 (12.1 %) of males do not determine the choice of retail service station. This suggests that males appear more independent than females when it comes to this decision. This is likely to have implication for design of a marketing program.

Table 6: Gender and determination of Retail Service stations

Gender	Do not determine choice of service station	Determine choice of service station	Total
Female	17	62	79
Male	14	102	116
Total	31	164	195

Chi-Square = 3.139, DF = 3, P-Value = 0.076

4.4 The extent to which reference groups influence the choice of retail service stations

In determining the choice of retail service stations, the results on table 7 show that on average respondents tend to seek recommendation, though to a moderate extent, mainly from friends, colleagues, husbands and mechanics in that order

Table 7: Frequency of Sources of Recommendation of Retail Service Station in percentages

Source of recommendation	To no extent at all		To a lesser extent		To a moderate extent		To a great extent		To a very great extent		Total
	1		2		3		4		5		Total
	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	
Wife	54.12	46	18.82	16	11.76	10	8.24	7	7.06	6	100
Husband	33.9	20	8.47	5	13.56	8	8.47	5	35.59	21	100
Father	72.19	112	9.27	14	5.96	9	3.97	6	8.61	13	100
Mother	72.19	112	9.27	14	5.96	9	3.97	6	8.61	13	100
Sister	70.86	110	9.93	15	6.62	10	6.62	10	5.96	9	100
Brother	55.41	89	8.28	13	17.20	27	11.46	18	7.64	12	100
Uncle	72.73	114	9.74	15	10.39	16	5.19	8	1.95	3	100
Aunt	78.00	121	9.33	14	8.67	13	2.67	4	1.33	2	100
Uni. Friend	45.57	73	12.03	19	17.72	28	15.19	24	9.49	15	100
Colleagues	28.14	48	11.38	19	17.37	30	19.76	34	23.35	40	100
Employer	60.74	102	9.2	15	11.04	18	5.52	9	13.5	22	100
Social Friend	26.04	44	10.06	17	18.93	32	24.26	41	20.71	35	100
Neighbour	57.32	92	15.29	24	12.1	19	6.37	10	8.92	14	100
Rally Driver	82.24	129	6.58	10	5.26	8	1.32	2	4.61	7	100
TV Celebrity	66.23	103	8.61	13	11.26	17	4.64	7	9.27	14	100
Mechanic	33.13	54	8.75	14	16.88	27	16.25	26	25.00	41	100
Professional Association	57.79	91	7.79	12	9.74	15	11.04	17	13.64	21	100
Automobile Association	49.69	81	6.92	11	11.32	18	14.47	23	17.61	28	100
Social club	57.32	92	12.74	20	8.92	14	11.46	18	9.55	15	100

From the frequency table (table 7) nearly seventy-one (70.86) percent of respondents do not seek recommendations from their sisters; the same applies to aunties (78) percent, mother (72.19) percent and rally drivers (82) percent. This low consultations relating to sisters, aunties and mother could be attributable to perceived low knowledge on retail service station by this group, a fact that most respondents are likely to be aware of.

The low consultations relating to rally drivers could be that they are not accessible i.e. they are out of reach of many respondents. The most liberally consulted groups are husbands whose scale of consultations range from no extent at all 33.9 percent to a very great extent, colleagues and social friends. That respondents rely on their colleagues and social friends confirm that case of reach is a critical factor in deciding whom to consult.

The most surprising finding is almost non-reliance on recommendation of celebrity on TV. Most respondents avoid relying on their recommendations though advertising agencies use them a lot as role models. In fact only nine (9.27) percent of the respondents rely on them to a very great extent while six-six percent (66.23) do not seek their advice. It is also difficult understanding why there is low reliance on professional associations. A possible reason is that many of respondents are not members of such an association or that they compete professionally make them apart socially.

4.4.1 Ranking the source of recommendation that influence the choice of retail service station

In determining the choice of retail service station, the results on table 8 show that on average respondents tend to seek recommendation, through to a moderate extent, mainly from social friends, colleagues, husbands and mechanics in that order of importance.

Table 8: Ranking sources of Recommendation for Retail Services Stations

Source of Recommendation	No	N*	Mean	Mean Rank		Median	Std Dev	CoV
Social Friends	171	32	3	ME	1	3	1.52	0.51
Colleagues	172	31	3	ME	2	3	1.60	0.55
Husband	60	137	3	ME	3	3	1.78	0.61
Mechanic	163	40	3	ME	4	3	1.64	0.57
Automobile Association	163	40	2	LE	5	1	1.64	0.69
University Friend	161	42	2	LE	6	2	1.44	0.63
Professional Association	158	45	2	LE	7	1	1.55	0.74
Brother	162	41	2	LE	8	1	1.40	0.69
Social Club	161	42	2	LE	9	1	1.43	0.72
Employer	168	35	2	LE	10	1	1.49	0.76
Wife	85	118	2	LE	11	1	1.28	0.66
Neighbour	161	42	2	LE	12	1	1.34	0.71
Father	156	47	2	LE	13	1	1.37	0.77
Celebrity TV	156	47	2	LE	14	1	1.35	0.77
Mother	156	47	2	LE	15	1	1.29	0.79
Sister	156	47	2	LE	16	1	1.23	0.76
Uncle	158	45	2	LE	17	1	1.02	0.68
Rally Driver	157	46	1	NEAA	18	1	1.01	0.74
Aunt	156	47	1	NEAA	19	1	0.88	0.66

Key:No=Number of observations, N*=Number of respondents who did not respond, ME=Moderate extent, LE=Lesser Extent, NEAA= No extent at all CoV= Coefficient of variation, Std Dev=Standard Deviation

Many wives seek advice on the choice of retail service stations from husbands than husbands seek information from their wives. Most wives or for that matter females driving rely on the advice of males. That husbands are more consulted than wives is a reflection of our male dominated society, and suggest that advertisement on these issues target males rather than females. At individual variable level, Automobile Association, University Friends and Professional Association as a source of recommendation, are all relied on to a greater extent.

4.5 Which of the reference groups are important in determining the choice of retail service stations

Group influence will vary according to the nature of the group. The analysis below sought to rank the relative importance of the reference groups in their ability to influence choice of retail service station. This analysis was done in two parts. The first part merely sought to collate respondents' comments as per the questionnaire. Frequency data was collated from the filled questionnaires and presented in percentages in table 13. The second part was the actual ranking exercise based on results from table 14.

From the frequency table (table 9), we note that about thirty one (30.91) percent of the respondents consider husbands advice as critically important in helping choose retail service station; next is mechanic almost twenty six (25.88) percent; colleagues sixteen (16.28) percent, social friends almost nineteen (18.86) percent and automobile association 17.35 percent.

Indeed nearly forty-three (43) respondents rate mechanics advice as very important. Respondents do not value much the advice of uncles, aunts, rally drivers, celebrity on TV. These sources are largely ranked as not important. Respondents are divided on importance of social club on this issue. However let us not loose the fact that the number of respondents consulting mechanics is male dominated.

Table 9: Frequency of Importance of Reference Group Recommendation in choice of Retail Service Station in percentages

Source of recommendation	Not Important		Less Important		Moderately Important		Very Important		Critically Important		Total
	1		2		3		4		5		
	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	
Wife	47.56	39	8.54	7	17.07	14	19.51	16	7.32	6	100
Husband	27.27	15	5.45	3	18.18	10	18.18	10	30.91	17	100
Father	56.86	87	7.84	12	15.69	24	11.11	17	8.5	13	100
Mother	64.52	100	10.32	16	10.97	17	7.1	11	7.1	11	100
Sister	58.6	92	12.1	19	15.29	24	10.19	16	3.82	6	100
Brother	47.85	78	10.43	17	17.18	28	17.18	28	7.36	12	100
Uncle	70.25	111	10.13	16	13.92	21	3.8	6	1.9	3	100
Aunt	72.44	113	12.18	19	10.26	16	3.21	5	1.92	3	100
Univ. friend	33.94	56	15.15	25	23.64	39	18.79	31	8.48	14	100
Colleague	20.35	35	11.63	20	25.58	44	26.16	45	16.28	28	100
Employer	52.38	88	11.31	19	13.69	23	10.71	18	11.9	20	100
Social Friend	25.14	44	9.14	16	22.86	40	24	42	18.86	33	100
Neighbour	53.89	90	16.17	27	13.17	22	10.78	18	5.99	10	100
Rally Driver	73.91	119	9.32	15	6.83	11	4.35	7	5.59	9	100
TV Celebrity	66.46	107	9.94	16	7.45	12	6.83	11	9.32	15	100
Mechanic	27.65	47	7.06	12	20	34	19.41	33	25.88	44	100
Professional Association	50	82	9.76	16	13.41	22	15.24	25	11.59	19	100
Automobile Association	43.11	72	7.19	12	14.37	24	17.96	30	17.37	29	100
Social Club	52.12	86	11.52	19	10.91	18	13.33	22	12.12	20	100

From the frequency table (table 9), we note that about thirty one (30.91) percent of the respondents consider husbands advice as critically important in helping choose retail service station; next is mechanic almost twenty six (25.88) percent; colleagues sixteen (16.28) percent, social friends almost nineteen (18.86) percent and automobile association 17.35 percent.

Indeed nearly forty-three (43) respondents rate mechanics advice as very important. Respondents do not value much the advice of uncles, aunts, rally drivers, celebrity on TV. These sources are largely ranked as not important. Respondents are divided on importance of social club on this issue. However let us not loose the fact that the number of respondents consulting mechanics is male dominated.

Table 9: Frequency of Importance of Reference Group Recommendation in choice of Retail Service Station in percentages

Source of recommendation	Not Important		Less Important		Moderately Important		Very Important		Critically Important		Total
	1		2		3		4		5		
	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	(%)	Count (no)	
Wife	47.56	39	8.54	7	17.07	14	19.51	16	7.32	6	100
Husband	27.27	15	5.45	3	18.18	10	18.18	10	30.91	17	100
Father	56.86	87	7.84	12	15.69	24	11.11	17	8.5	13	100
Mother	64.52	100	10.32	16	10.97	17	7.1	11	7.1	11	100
Sister	58.6	92	12.1	19	15.29	24	10.19	16	3.82	6	100
Brother	47.85	78	10.43	17	17.18	28	17.18	28	7.36	12	100
Uncle	70.25	111	10.13	16	13.92	21	3.8	6	1.9	3	100
Aunt	72.44	113	12.18	19	10.26	16	3.21	5	1.92	3	100
Univ. friend	33.94	56	15.15	25	23.64	39	18.79	31	8.48	14	100
Colleague	20.35	35	11.63	20	25.58	44	26.16	45	16.28	28	100
Employer	52.38	88	11.31	19	13.69	23	10.71	18	11.9	20	100
Social Friend	25.14	44	9.14	16	22.86	40	24	42	18.86	33	100
Neighbour	53.89	90	16.17	27	13.17	22	10.78	18	5.99	10	100
Rally Driver	73.91	119	9.32	15	6.83	11	4.35	7	5.59	9	100
TV Celebrity	66.46	107	9.94	16	7.45	12	6.83	11	9.32	15	100
Mechanic	27.65	47	7.06	12	20	34	19.41	33	25.88	44	100
Professional Association	50	82	9.76	16	13.41	22	15.24	25	11.59	19	100
Automobile Association	43.11	72	7.19	12	14.37	24	17.96	30	17.37	29	100
Social Club	52.12	86	11.52	19	10.91	18	13.33	22	12.12	20	100

4.5.1 Ranking of the importance of reference groups in determining the choice of retail service stations

The results of ranking of source of influence (section 4.3) and importance of type of reference group influence appear to lead to the same conclusions: again husband, mechanic, colleague, social friends and automobile are on average considered as moderately important (with a mean score of 3) in terms of the importance of source of influence. The results of the importance of reference groups are on average considered to be less important with a mean score of 2.

Table 10: Ranking the importance of source of recommendation

Variable Name	N	N*	Mean	Mean Ranking		Median	StDev	Min	Max
Husband	55	143	3	ME	1	3	1.60	1	5
Mechanic	170	28	3	ME	2	3	1.55	1	5
Colleagues	172	26	3	ME	3	3	1.36	1	5
Social Friends	175	23	3	ME	4	3	1.45	1	5
Automobile Association	167	31	3	ME	5	2	1.59	1	5
University Friend	165	33	3	LE	6	3	1.35	1	5
Wife	82	116	2	LE	7	2	1.42	1	5
Professional Association	164	34	2	LE	8	2	1.49	1	5
Brother	163	35	2	LE	9	2	1.41	1	5
Social Club	165	33	2	LE	10	1	1.49	1	5
Employer	168	30	2	LE	11	1	1.46	1	5
Father	153	45	2	LE	12	1	1.39	1	5
Neighbour	167	31	2	LE	13	1	1.30	1	5
Sister	157	41	2	LE	14	1	1.22	1	5
Celebrity TV	161	37	2	LE	15	1	1.35	1	5
Mother	155	43	2	LE	16	1	1.29	1	5
Rally Driver	161	37	2	LE	17	1	1.15	1	5
Uncle	158	40	2	LE	18	1	0.99	1	5
Aunt	156	42	2	LE	19	1	0.94	1	5

Key:No=Number of observations, N*=Number of respondents who did not respond, ME=Moderate extent,
LE=Lesser Extent, Std Dev=Standard Deviation

4.6 Fuel Products Purchased At A Retail Service Station

This question sought to determine which was the most frequently purchased fuel brand. From table 11 overleaf, the most popular fuel products purchased at retail service stations are regular petrol (81 percent) and diesel (76) percent. This is probably because most respondents have converted to regular petrol which retails at a lower price compared to unleaded premium and premium petrol brands. Similarly the diesel is the lowest priced fuel, thus it would attract more motorist. Except for premium most respondents purchase other fuels at a retail service station.

Table 11: Fuel Products Purchased at Retail Service Station

Purchase behavior	(C7FRr) Regular (%)	(C7FRp) Premium (%)	(C7FRd) Diesel (%)	(C7FRu) Unleaded Premium (%)	(C7FRk) Kerosene (%)
Purchased	81.35	42.78	75.77	66.49	66.49
Not Purchased	18.65	57.22	24.23	33.51	33.51

C7FRr = Regular; C7FRp =Premium; C7FRd =Diesel; C7FRu =Unleaded Premium; FRk = Kerosene

Graph 1 Fuel Products Purchase At A Retail Service Station

	C7FRr	C7FRp	C7FRd	C7FRu	C7FRk
Purchase	157	83	147	129	129
Non Purchase	36	111	47	65	65
Purchase	157	83	147	129	129
Non Purchase	36	111	47	65	65
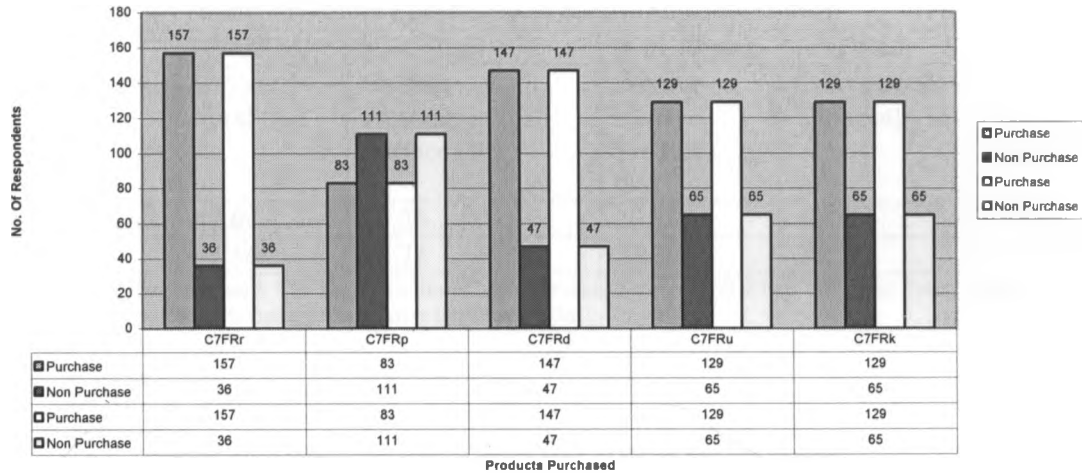
4.7 Non Fuel Products Purchased At A Retail Service Station

This question sought to find what which of the following services i.e. Purchase of Liquified Petroleum Gas (LPG), lubricating oil, tyre repair, car wash or engine wash was most popular.

Most of the products under this section were not popular with respondents as they recorded higher scores under the Not purchased category. From Table 12 below car wash (54.12%) is the most popular non-fuel product purchased at a retail service station.

Table 12: Non Fuel Products purchased at Retail Service Station

Purchase behavior	(C8NFRIp) LPG(%)	(C8NFRo) Oil (%)	(C8NFRts) Tyre service (%)	(C8NFRcw) Car Wash (%)	(C8NFRew) Engine Wash (%)
Purchased	23.71	24.23	18.04	54.12	29.90
Not Purchased	76.29	75.77	81.96	45.88	70.10

C8NFRIp = Liquefied Petroleum Gas (LPG); C8NFRIo = Lubricating Oil; C8NFRts = Tyre Repair or Servicing; C8NFRcw = Car Wash; C8NFRew = Engine Wash,

4.8 Convenient Products Purchased At A Retail Service Station

Convenience products are all those products that do not include sale of fuel and auto related products. The attached analysis in table 13 identifies the most frequently purchased convenient product in retail service stations. From the analysis buying food, getting pharmaceutical service and buying pastry products are popular with respondents. Convenience shopping and using ATM services are not popular with respondents.

Table 13: Convenient Products Purchased at Retail Service Station

Purchase behavior	(C9CRbf) Buying Food (%)	(C9CRgp) Getting Pharmaceutical Service (%)	(C9CRbpb) Buying Pastry Products (%)	(C9CRcs) Convenience Shopping (%)	(C9Cratm) Utilising ATM Services (%)
Not Purchased	47.64	15.26	26.70	60.73	62.63
Purchased	52.36	84.74	73.30	39.27	37.37

Key: C9CRbf = Buying Food; C9CRgp = Getting Pharmaceutical Service; C9CRbpb = Buying Pastry Products; C9CRcs = Convenience Shopping; C9Cratm = Utilising ATM

Convenience Retailing Services Purchases At Retail Service Station

	C9CRbf	C9CRgp	C9CRbpb	C9CRcs	C9CRatm
Purchase	100	161	140	75	71
Non Purchase	91	29	51	116	119
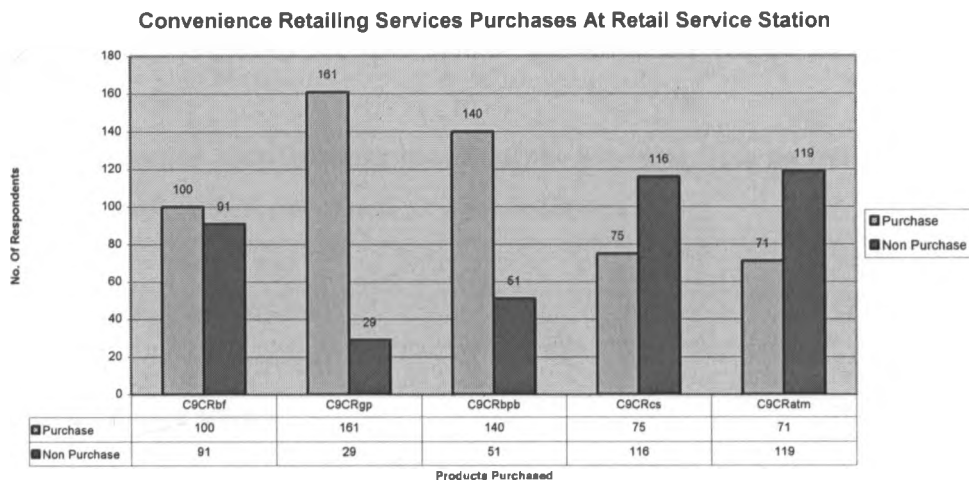
4.9 Does Informative Influence determines choice of services in retail service stations ?

This section was to determine whether respondents sought knowledge or experience from credible source of people, and hence informative influence, as their main objective in determining either fuel service, non-fuel service or convenience service at retail stations

Questions as adapted by Park and Lessig (1977) were posed to the respondents to determine if informative influence was at play in determining choice of services in retail stations. Percentages were used to analyze the responses. The results of informative influence are summarized in table 14. When purchasing fuel services respondents are almost evenly divided between those who seek information and those who do not seek information. Thus on type of fuel to purchase (either premium unleaded diesel or kerosene), almost fifty-three (52.94) percent seek information and almost forty-three (43.32) percentage. Only a mere 3.74 percentage do not know. Similar response pattern, that is, almost even split between those who know and those who do not know, is exhibited by respondents when asked if they seek information in their purchase of non fuel products like changing oil and tyre servicing. In contrast respondents do not seek knowledge or experience from reference groups when choosing convenience services. Seventy-six (76.22) of the respondents do not seek this kind of information. (See variables type of fuel, type of non-fuel services and convenient services)

Table 14(a): Frequency of Informative Influence on choice of services at retail service stations

	I seek information about various brands of the products from an independent group of experts or those who work with the products as a profession on			
		Yes%	No%	Don't Know%
a.	Type of fuel to purchase	52.94	43.32	3.74
b.	Type of non fuel services	53.76	44.09	2.15
c.	Convenience service	20	76.22	3.78

Table 14(b):

	I seek brand related knowledge and experience from friends, neighbors, relatives or work associates who have reliable information about brands when deciding on			
		Yes%	No%	Don't Know%
a.	Type of fuel to purchase	50.8	47.06	2.14
b.	Type of non fuel services	51.63	45.65	2.72
c.	Convenience service	25.27	70.33	4.4

40

Table 14(c):

	I observe what experts do in deciding my choice of brand before deciding on			
		Yes%	No%	Don't Know%
a.	Type of fuel to purchase	29.28	65.19	5.52
b.	Type of non fuel services	28.89	68.33	2.78
c.	Convenience service	18.89	78.33	2.78

When asked whether they seek brand related knowledge and experience (such as how brand A compares with brand B) from those friends neighbors, related or work associates who have reliable information about the brands the result show an almost fifty percent split between fuel and non fuel retailing. Consumers do not seek brand related knowledge and experience from reference groups when deciding on convenience services.

However most of the respondents do not rely on what experts do in deciding on choice of services at retail service stations.

Informative Influence

Information Sought	C10TFP	C10TNFS	C10CS	C11TFP	C11TNFS	C11CS	C12TFP	C12TNFS	C12CS
Yes	99	100	37	95	95	46	53	52	34
No	80	82	141	86	84	128	118	123	141
Do Not Know	7	4	7	4	5	8	10	5	5
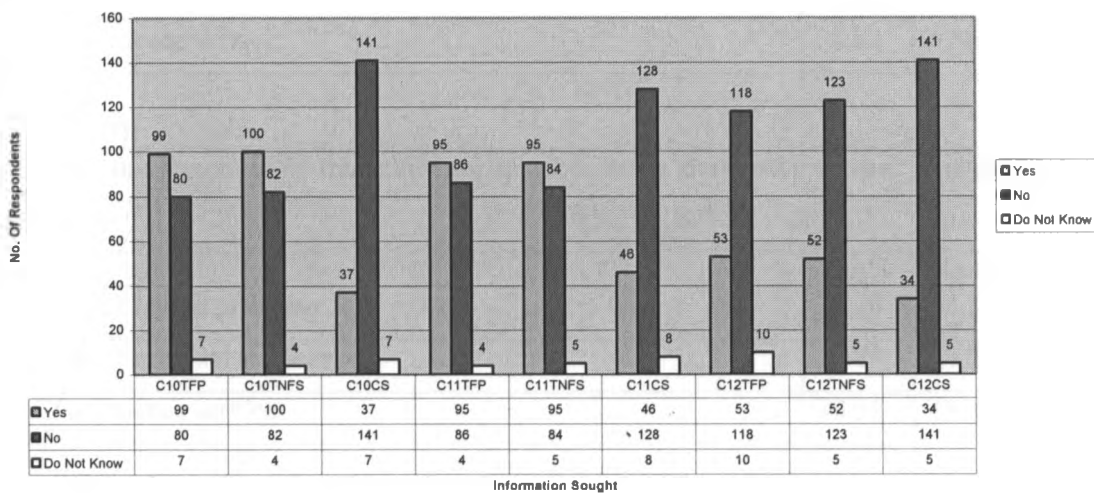
4.10 Does Comparative Influence determines choice of services in retail service stations?

It is possible that some consumers compare their attitudes and actions to members of important groups. They seek to support their own attitudes and behavior by associating themselves with groups they agree with or dissociate themselves with

those they disagree (Assael, 1998). In this section the respondents were asked questions as used in Park and Lessig (1977) to determine if comparative influence was the determining influence in their choice of retail services. Frequencies were used to generate percentage scores. The results are summarized in the table.

In all the questions relating to comparative influence on choice of services such as fuel, non fuel service and convenience service in retail service stations, the response was consistently negative across all questions. All negative responses were above sixty percent and in some cases, seventy percent as the respondents in stating that the respondents do not consider comparative influence as useful influencing variable. Results against each question are indicated in tables 15

Table 15(a): Frequency of Comparative influence on choice of services at retail service stations

I feel that the purchase or use of the following services will enhance the image that others have of me when deciding on				
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	28.3	67.4	3.87
b	Type of non fuel services	27.93	67.36	4.47
c	Convenience service	26.82	67.6	5.59

Table 15(b):

I feel that the purchase of the following services helps show others what I would like to be when deciding on				
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	29.28	65.75	4.97
b	Type of non fuel services	28.89	67.22	3.89
c	Convenience service	30.51	64.41	5.08

Table 15(c):

I feel that those who purchase the following services possess the characteristics I would like to have				
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	32.22	62.22	5.56
b	Type of non fuel services	32.2	61.58	6.21
c	Convenience service	32.77	60.45	6.78

Table 15(d):

		Yes %	No %	Don't Know %
I sometimes feel that it would be nice to be like the type of person advertisements show using the following products				
a.	Type of fuel to purchase	24.31	71.27	4.42
b	Type of non fuel services	23.33	73.33	4.42
c	Convenience service	21.79	72.63	5.59

Table 15(e):

		Yes %	No %	Don't Know %
I feel the people who purchase a particular brand are admired or respected by others, in deciding my purchase of				
a.	Type of fuel to purchase	26.67	66.67	6.67
b	Type of non fuel services	23.76	69.61	6.63
c	Convenience service	28.73	64.09	7.18

Comparative Influence

	C13TFP	C13TNFS	C13CS	C14TFP	C14NFS	C14CS	C15TF	C15TNFS	C15CS
Yes	52	50	48	53	52	54	58	57	58
No	122	121	121	118	121	114	112	109	107
Do Not Know	7	8	10	9	7	9	10	11	12

Sources Of Comparative Influence
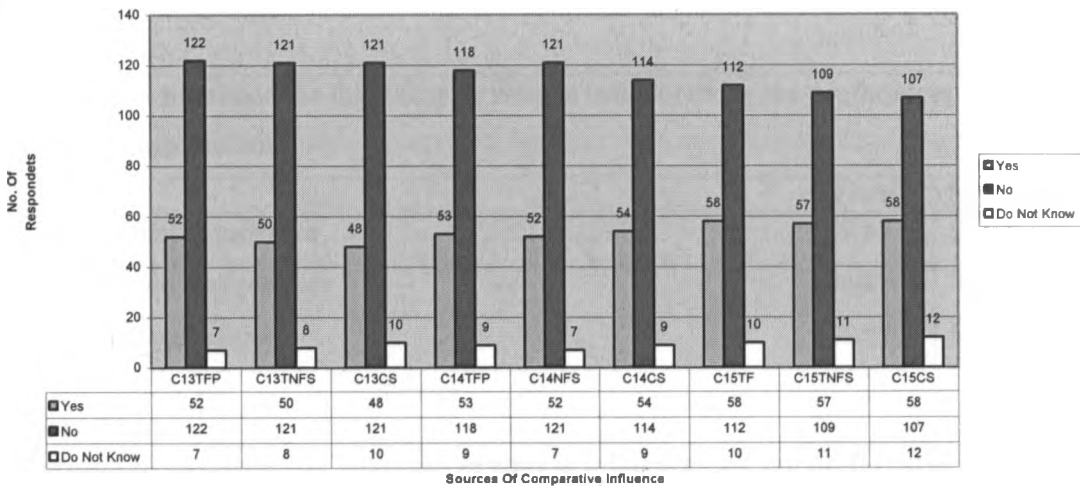
4.11 Does Normative Influence determines choice of services in retail service stations?

Normative influence relates to a conformity behavior pattern in which the consumers'
objective is to identify with a group thereby getting rewards or avoiding group
sanctions. It is like one does not want to be left out. This is because if one fails to
confirm then sanctions are set motion against one. Are the respondents seeking

rewards or worried about the sanctions from social friends, workmates, family members, professional associates, and employer as to force them to conform? Respondents were asked questions relating to normative influence as used by Park and Lessig(1977) and their results presented in percentages as summarized on table 16.

Respondents are almost evenly divided on the importance of social friends as their reference point when selecting non fuel services with 46% of the respondents conceding to social power and another 50% denying social power experience. The same applies to family members. These suggest that at times they do notice and appreciate sanctions from some groups. At times the sanctions from family matter and at times they do not i.e. the respondents fear of sanctions is situational and variable. However the respondents are almost on total agreement that professional associations and preferences of employer are not influencing variables. Those rejecting this variable range from 60 percent and above.

Table 16(a): Frequency of Normative Influence on choice of services at retail service stations

My decision to purchase the following services is influenced by the preferences of people with whom I have a social interaction		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	39.67	57.07	3.26
b	Type of non fuel services	46.77	50	3.23
c	Convenience service	35.87	59.78	4.35

Table 16(b):

My decision to purchase the following brands is influenced by the preferences of people with whom I work		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	37.22	60	2.78
b	Type of non fuel services	36.07	61.75	2.19
c	Convenience service	24.86	72.38	2.76

Table 16(c):

	My decision to purchase the following services is influenced by the preferences of family members			
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	33.15	65.73	1.12
b	Type of non fuel services	45.86	53.04	1.1
c	Convenience service	46.96	51.38	1.66

Table 16(d):

	My decision to purchase the following services is influenced by the preferences of my professional association			
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	29.21	69.66	1.12
b	Type of non fuel services	30.56	67.78	1.67
c	Convenience service	24.16	73.16	2.25

Table 16(e):

	My decision to purchase the following services is influenced by the preferences of my employer			
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	21.98	75.27	2.75
b	Type of non fuel services	16.57	80.11	3.31
c	Convenience service	10.61	86.03	3.35

Table 16(f):

	My desire to satisfy the expectations that others have of me influences my			
		Yes %	No %	Don't Know %
a.	Type of fuel to purchase	29.05	67.6	3.35
b	Type of non fuel services	28.65	68.54	2.81
c	Convenience service	30.77	64.84	4.4

Normative Influence

	C18TF	C18TNF	C18CS	C19TF	C19NFS	C19CS	C20TF	C20NFS	C20CS
☐ Yes	73	87	66	67	66	45	59	83	85
■ No	105	93	110	108	113	131	116	96	93
☐ Do Not Know	6	6	8	5	4	5	2	2	3

Sources Of Normative Influence
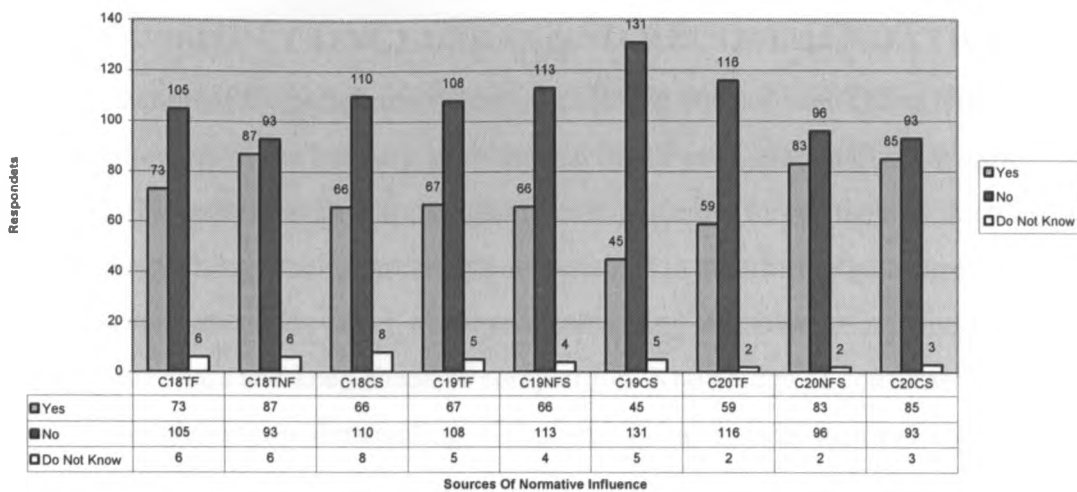
CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

The liberalization of the petroleum industry in the mid 90s has been characterized by momentous growth of the industry as evidenced by the proliferation of many new entrants. Stiff competition in this crowded market place has forced most of the players to continuously change their marketing mix variables in an effort to gain new and retain loyal consumers. However, changes in marketing variables are not enough in trying to grow share and keep ahead of competition. Knowledge of consumer behavior through better understanding of their cultural and social factors like consumer reference group influence can be used to create differentiation and drive purchase decision.

5.1 Discussion

The first objective sought to determine the extent to which reference groups influence the choice of petroleum based retail stations. The results indicate that on average respondents sought recommendation, though to a moderate extent, mainly from social friends, colleagues, husbands and mechanics in that order of importance. This compares well with Schifmann and Kanuk's (1999) assertion that reference groups that are credible and trustworthy tend to cause behaviour and attitude change. Indeed each of the four reference groups, social friends, colleagues, husbands and to some extent mechanics have the same common characteristic of trust. Other characteristics of the mentioned groups are that members of the groups are more cohesive and interact more frequently. These characteristics confirm Assael's (1998) observation that reference groups are more likely to influence member's behaviour if they are frequently interacting as this creates more opportunities to influence. Wilkens (1990) described the concept of primary groups as a small intimate group of people who relate to each other in direct personal ways. From this study and based on Wilkens (1990) description of primary group, social friends, colleagues, husbands and mechanics could be considered as a primary group with reference to determine choice of retail service station. The importance of the mechanics in determining choice of retail service station could be explained more from the aspect that mechanics are more knowledgeable with services offered at retail stations. The mechanic would also be

using or enjoying the facilities at the retail station and thus have first hand experience. Thus the mechanic has expert power based on his experience and knowledge (Loudon and Bitta, 1979). The mechanics perceived expert power would then drive consumer's influence in choosing the particular retail service station thereby again collaborating Assael's (1998) observation that consumer's accept friends or sales representative's purchase recommendation if this sources of recommendation are more knowledgeable or experienced with the product.

Gender is a factor in determining the choice of retail service station. Compared to males, fewer females determine the choice of retail service station. The percentage of females who do not determine the choice of retail service stations and therefore rely on others is much higher at 21.52 % compared to 12.1 % of males in the study. This is also confirmed by the chi square of 0.730 and P-value of 0.076. This suggests that males appear more independent than females when it comes to this decision. This is likely to have implications on the design of marketing programmes. Age is not indicated as a factor in the determination of choice of retail service station, i.e. it is difficult discriminating those who choose a retail service station on the basis of age. The person chi-square of 4.020 and P-value of 0.403 of choice of retail service station on age are not statistically. Furthermore, marital status was not found useful in explaining determination of choice i.e. determining the choice of retail service station is independent of marital status.

A larger proportion of married females seek advice on the choice of retail service stations from their spouses than married men seek information from their wives. The study also indicates that a larger proportion of driving females rely on the advice of males. That husbands are more consulted than wives is a reflection of a male dominated society, and suggest that advertisements on driving and car products target males rather than females. From the analysis of the extent to which reference groups influence choice of retail service stations, it can be noted from table 8 that, membership groups like Automobile Association and Professional Association as a source of recommendation, are all relied upon but to a less extent. This finding is in contrast to Bearden and Etzel (1982) who contend that membership groups do influence individuals. A possible reason why these membership groups influence to a less extent would be because respondents associate organisations like the automobile

48

association with towing and recovery services as well as accident related situations, rather than as a source of valuable information that even includes determining choice of retail service stations. Bearden and Etzel (1982) also add that individual influence by membership groups occurs only if the individual is an actual group member or the individual aspires to achieve symbolic membership into those groups. This study could not determine if the relatively low extent of influence from membership groups like Automobile Association and Professional Association's, was because the respondents were actual group members or symbolic group members.

The study also revealed that respondents did not seek recommendations from their sisters; the same applies to aunties, rally drivers. This low consultation relating to aunts, sisters, aunties could be attributable to perceived low knowledge about retail service stations by this group, a fact that most respondents are likely to be aware of. The low consultations relating to rally drivers could be that they are not accessible i.e. they are out of reach of many respondents. The most liberally consulted groups were husbands whose scale of consultations ranged from no extent at all at 33.9 percent to a very great extent; followed by colleagues and social friends. That respondents rely on their colleagues and social friends confirms that case of reach is a critical factor in deciding whom to consult.

The most surprising finding was the almost non-reliance on recommendation of celebrity on TV. This is in contrast to Hawkins et al (1998) who recommends use of celebrities to endorse products to drive purchase decision as these celebrities are perceived to have expert power. Lack of reliance on celebrity recommendation also goes against Assael's (1998) recommendation that such celebrities influence individual's desire through referent power which is the need to identify with a referent or revered or admired personality. Most respondents avoid relying on celebrity recommendations although advertising agencies use them a lot as role models. In fact only nine (9.27) percent of the respondents claimed to rely on them to a very great extent while six-six percent (66.23) did not seek their advice.

From the findings, respondents tend to agree that on the average they consult social friends, colleagues, husbands and mechanics on choice of the retail service station.

The results of ranking of source of reference group influence and importance of reference group influence appear to be lead to the same conclusions: again husband, mechanic, colleague, social friends and automobile associations are on average considered as moderately important in terms of the importance of source of influence.

From the statistics, it was noted that about thirty one (30.91) percent of the respondents consider husbands advice as critically important in helping choose retail service stations; next is mechanic almost twenty six (25.88) percent; colleagues sixteen (16.28) percent, social friends almost nineteen (18.86) percent and automobile association 17.35 percent. According to Solomon (1996) formal groups are high on comparative influence and informal groups tend to exert a more powerful influence on individual consumers and are high on normative influence. The statistics collected in this research do not clearly support Solomon's (1996) assertion relating to formal groups, as only 19 percent of the respondents consider their opinion moderately important. Nearly forty-three (43) respondents rated mechanics advice as very important. Respondents did not value much the advice of uncles, aunts, rally drivers, and TV celebrities. These sources are largely ranked as not important. Respondents are divided on importance of social clubs on this issue. However let us not loose the fact that the number of respondents consulting mechanics is male dominated.

In section C of the questionnaire, respondents were requested to indicate the fuel, non-fuel and convenient services they purchase at retail service station outlet. This was intended to gather information relating to the second objective of the study which was to determine the type of reference group influences (either informative, normative or comparative) on consumer's choice of petroleum based retail station for service. Of the fuel products purchased, regular petrol is the most popular, with 81.34% of the respondents indicating that they purchase it. Diesel is the second most bought type of fuel whilst premium is the least bought, with only 42.78% of the respondents indicating purchase. This may be explained either by the increasing costs of fuel that may cause consumers to shift from the higher priced premium to the cheaper regular. A shift may also be indicated from premium to unleaded premium, in the interests of the environment and/or longer engine life. Probably there has also been a deliberate purchase of diesel consuming automobiles to minimise the fuel costs, as diesel is currently cheaper than other automobile fuels.

Under non-fuel service, car wash came through as a popular product purchased at a retail service station with about 55% of the respondents purchasing this product as opposed to 45% not purchasing it. It is interesting to note that tyre repair, lubricants, liquefied petroleum gas and engine washes were not purchased from retail service station outlets to a great extent. Tyre retail has the highest non purchase response at 81%, followed by non purchase of liquefied petroleum gas at 76%, lubricants at 75% and engine was at 70%. This area may require further study, although one would suppose that tyre service, lubricants and LPG, might be purchased from wholesale outlets and supermarkets based on other purchase considerations like lower prices. It is also not clear why there is a high avoidance of purchasing engine wash from retail service stations as there are a few alternative places where this service can be provided. Alternatives for engine wash are the franchise workshops and automotive service workshops but these outlets would charge a premium and are not always open at convenient times.

Convenience retailing is a service category that includes sale and merchandising of fast moving good and services, like, food courts, baking and pastry sales, provision of banking and pharmaceutical services and shopping outlets was also analysed. In the convenience-retailing service category, pharmaceutical service and buying pastry products were most popular with respondents. Getting pharmaceutical service scored highest response rate at 84%, followed by buying pastry products at 73% are popular with respondents. This could be because of the relative ease in buying these products and the convenient opening hours of retail service stations. Convenience shopping was not popular due to perception that premium prices are charged. Using ATM services was also not popular with respondents which was surprising as the premise behind ATM is convenience which is part of the offering from retail service stations.

Informative influence is said to occur when low knowledge individuals seek and accept information if they consider the source to be credible or professional. When respondents were asked if they sought information about various brands of fuel and non-fuel services from experts or professionals working with those group of products, 54% claimed that they did, while 44% claimed that they did not. The higher positive response rate in favor of information seeking could be because of the newer brand of

unleaded fuel which though environmental friendly, have limitations and restrictions to there more efficient use. Also respondents do not have a better understanding of non-fuel services like lubricating oil and tyre services hence the need to seek more information. Besides seeking information from experts or those professionals who work with the fuel and non fuel products, all other reference groups like friends, neighbors, relatives and work associates did not seem to offer informative reference group influence in purchase of retail services. This is because the results of informative influence showed almost equal splits between those who sought information and those who did not seek information when choosing fuel and non-fuel services. For instance when asked whether they sought brand related knowledge and experience (such as how brand A compares with brand B) from those friends neighbors, related or work associates who have reliable information about the brands the result showed (with the exception of convenience services) that almost 50% do and the 50% do not. A probably suggestion leading to this ambivalent response could be that fuel and non fuel services are generic and after having used these services before, and after having sought expert and professional advice earlier the information gap is minimal. When respondents were asked if they observed what experts do before deciding on their fuel, non fuel or convenience service choice they strongly denied this claim with high negative response rates of above 65%. It is possible that the experts are not within reach. Most of the respondents do not rely on what they observe experts do in deciding on choice of fuel, non-fuel and convenience services to purchase.

Comparative influence occurs when individuals compare themselves to other members of the group and judge whether the group will be supportive. In all the questions relating to comparative influence on choice of services such as fuel, non-fuel service and convenience services in retail service stations, the responses were to a large extent, consistently negative across all questions. All negative responses were above 60% and in some cases, 70% as the respondents stated that they did not consider identification to a particular group as a criteria for determining choice of service. A probable suggestion why comparative influence did not influence respondents is because the services, fueling, non-fuel and convenience services, are not conspicuous, exciting or status symbols. This confirms Bourne's (1956) suggestions that groups will likely be influential for visually and verbally conspicuous

products like clothing, cosmetics, furniture and exclusive products that denote status. The comparative influence question that drew the most negative response was if the respondents sometimes felt nice to be like the type of person advertisements show using the fuel services (71% negative response), non-fuel services (73% negative response) and convenience service (73% negative response). This lack of celebrity appeal in selecting services clearly confirms earlier findings as to the lack of celebrity appeal when respondents were asked the extent to which celebrities determine choice of retail service station. Lack of celebrity appeal in influencing choices of retail service station and even choice of services offered is in contrast to Hawkins et al (1998) claim that celebrities can influence consumers. Hawkins et al's (1998) claims could be clarified to the extent that celebrity appeal does indeed influence consumer's choice but not across all product and service categories like purchase of fuel, non-fuel and convenience services which was the subject of this study.

Normative influence, relates to a conformity behavior pattern in which the consumers' objective is to identify with a group thereby getting rewards or avoiding group sanctions. When respondents were asked if their purchase of fuel and convenience services was influenced by the preferences of people with whom they have social interaction, the negative responses were high at about 60% each, thereby indicating that social pressure does not influence choice of fuel and convenience services. However, respondents are almost evenly divided on the importance of social friends as their reference point when selecting non-fuel services with 46% of the respondents conceding to social power and another 50% denying social power experience. A possible reason why conformity and desire to identify with others when buying fuel and convenience service is low is because these are generic products, frequently purchased and with no risk associated with their purchase, however for non fuel purchase like changing oil and tyre service repairs, individuals wouldn't want to be seen purchasing this services at remote and questionable back street locations which pose a security and reputation risk to their person. Such risk would call for sanctions from their social colleagues.

When asked if the purchase of non-fuel services and convenience services is influenced by preference of family members, respondents were almost evenly divided with approx. 53% denying and 46% agreeing. This could be possibly because the

vehicle or food bought is being shared out with the family members thus purchase of this services impacts family members lifestyle. The fact that family members are a reference group with considerable influence on purchase of services confirms Assael's (1998) claim that reference groups as more likely to influence a member's behavior if they are frequently interacting.

When asked if the purchase of fuel, non-fuel and convenience services is influenced by the preferences of workmates, professional associations, their employers, the respondents disagreed with high negative responses ranging from 60% to 86%.

5.2   Conclusion

The study established that respondents tend to seek recommendation, though to a moderate extent, mainly from social friends, colleagues, husbands and mechanics in that order of importance, in determining their choice of petroleum based retail service stations.

The only demographic variable that is important in determining the choice of retail service station is gender in favor of males as the predominant gender type that clearly appears more independent in determining choice of service station. A large proportion of driving females, both married and single, rely on the advice of males on the choice of selection of retail service station

Informative influence, which is the seeking of information from reference groups to gain acceptance, is certainly not at play when respondents are choosing convenience retailing services like pastries, pharmaceutical services and buying pastry products. However one cannot conclude that informative influence does not determine choice of fuel and non-fuel servicing because respondents are evenly divided on this issue.

Comparative influence, which is based on the desire to identify and be similar to some others, has no influence on choice of services to be offered at retail service stations. Under Bourne's (1956) matrix developed from his study on effects of reference group influence on purchase decision and brand decision on selected products, fuel, non fuel

and convenience services would fall under the category of products for which neither the purchase decision nor the brand decision is influenced by reference groups.

Normative influence, which is based on an individual's desire to want to conform to group norms thereby avoiding sanctions and gaining rewards does not influence choice of services from retail service stations with the exception of family members. At times sanctions from family members arises and at times sanctions do not arise i.e. the respondents fear of sanctions is situational and variable. Respondents are almost on total agreement that colleagues, professional associations and preferences of employer are not influencing variables.

5.3   Recommendations

The conditions in the external environment are changing rapidly, with political and economic players calling for a capping of fuel prices. International crude oil prices on the other hand are at an all time high. There are calls by the government to seek and sign agreements with specific suppliers to hedge against the increases in prices of crude. The competition has increased from unlikely quarters for products such as independent dealers, supermarkets (for products such as lubricants and liquefied petroleum gas). Retail service stations in this market will therefore be faced, more than ever before, with the challenge of increasing their market share, creating value for their customers, diversifying their income lines and increasing shareholder value.

In light of the findings of this research, it is necessary for retail service stations to monitor trends in the demand and consumption of their oil products as well as demand for their non-fuel services and convenience services. This research has clearly brought out that the regular brand of fuel is the most sought after product in the fuel sector. This is contrary to the expectations of the retail service stations who, for the most part in Nairobi, no longer stock the fuel type with the introduction of unleaded fuel. As the study reflects a high demand, retail service stations may consider the re-introduction of this particular brand.

Franchising with well-known brand names in fast food business, tyre repair and tyre care facilities, installations like ATMs and having convenience shops is perceived as value add in retail stations. These service providers of fast food, tyres, pharmaceutical

services and ATMs should conduct separate studies to determine if their customers value their location within retail service station. Clearly from the study the avoidance of using ATMs in retail stations should prompt ATM providers understand why there is such avoidance before they seek other better and possibly cheaper locations.

In advertising and promotions, retail service stations will have to engage in target advertising towards those groups perceived to have the highest influences, such as husbands, mechanics knowledgeable colleagues, neighbors, friends (these are generally individuals who have owned or driven for a longer period of time) and to a lesser extent automobile associations. The limitations of the automobile associations may be in their selling points, which do not highlight their superior knowledge of products and services in retail service stations. However this is an area that has potential and can be exploited as the automobile associations have large memberships and are perceived to be professional and knowledgeable in their lines of operation.

An interesting point to note is that retail service stations do not attract a large number of customers to their non fuel services like lubricants, purchase of LPG and engine wash. This response may be due to the fact that there are many other outlets with this offering, or consumers have established garages or wholesale outlets that provide this service. Retail service stations may need look into this area as a growth potential, and situational studies can be undertaken to establish success factors.

Limitations of the study

For reference group influence to have effect, the group must have significant relevance on the target individual's evaluations, aspirations or behavior. Whereas most relevant reference groups were covered in this study, it is difficult to establish which particular groups had significant motivational and psychological influence on individual respondents. With such knowledge the analysis in this study could have been filtered down to include only that data relating to the specific reference group with significant influence on particular respondent. This study could did not confirm the significant reference group relating to each individual as it was assumed all the mentioned reference groups appealed equally to each respondent.

The study was also limited to a highly educated group of respondents, who were presumed to make choices from an informed and well-researched viewpoint. The study excluded illiterate semi- illiterate motorists, as well as those who did not have education up to the graduate level, who form a high percent of motorists, and whose decision-making influences may be different from the target group of this research.

The study was also limited by location, as the respondents are drawn from Nairobi and its environs. Location and situational influences may be different and could alter the results of this study were it to be undertaken in a different location.

Suggestions for further research

As the liberalised petroleum industry continues to attract more players, it would be hoped that changes in their offering is based on sound consumer understanding. Kotler (1989) explains that understanding how consumers respond to different product features, prices and advertising appeals can be of enormous advantage to companies. However it would be worth remembering that consumer response to the above marketing mix variables is initially strongly influenced by cultural, personal, psychological and social factors like consumer's reference groups. Retail service stations have not been spared, as they have had to introduce new products, value and services to retain market share. Further research in the following areas would therefore be useful in not only adding to the body of knowledge but also for formulation of policy and strategy to these organisations.

i.   An investigation into the relationship between demographic variables and the importance of husband as a reference group.

ii. Factors that influence the choice of retail service stations, non-fuel services and convenience services in Kenya for individual and corporate consumers in Kenya.

iii. Why celebrity appeal and for that matter rally drivers do not seem to influence respondents in their choice of retail service stations or retail services, given that advertising campaigns continue to depict celebrities as role models.

iv. Determine what type of traits and characters in individuals or respondents leads them to be more influenced positively or negatively when selecting retail service stations and services offered in the stations. This would be a study in the

consumer's susceptibility to interpersonal influence in their selection of retail service stations and their services.

v. To determine if the professional occupation, income and educational level of individuals affects their relative influenceability to reference group appeal as it could be hypothesised that consumer influenceability varies with respect to a consumer's particular social economic status or lifestyle segment.

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APPENDECIES

APPENDIX 1:   LETTER OF INTRODUCTION

August 2004

Dear Respondent,

MBA RESEARCH PROJECT

As part of the requirement for the degree of Master of Business Administration (MBA) of the University of Nairobi, the undersigned, who is a student in the Faculty of Commerce at the university is required to undertake a management paper. He intends to undertake a study on the fast food industry.

This questionnaire is designed to gather information on the influence of reference groups in the choice of petroleum based retail service stations in Nairobi, Kenya.

Your responses will be treated in strict confidence and in no circumstance will your name be mentioned in the report. Further confidentiality will be ensured through the necessary coding of the survey findings.

Your co-operation will be highly appreciated.

Yours faithfully,

_____   _____
MASESE G.   MARGARET OMBOK
MBA STUDENT   **SUPERVISOR**

APPENDIX 2:   QUESTIONNAIRE

Please respond to the questions below as indicated each.

SECTION A:

1. Please indicate your gender

    Male ( )   Female ( )

2. Please tick the age bracket in which you fall

    Below 24 years   ( )

    25 to 34 years   ( )

    35 to 44 years   ( )

    Above 45 years   ( )

3. When deciding where to fuel or purchase non fuel related services for your car, do you determine the choice of retail service station

    (a) Yes   ( )

    (b) No   ( )

4. Marital status

    Single ( )   Married ( )

SECTION B:

5. Consumer's are influenced by a number of factors in making their purchase. Determine the extent to which this factors influence your choice of retail service station on a scale of 1 – 5 where

    1 : To no extent at all
    2 : To a small extent
    3 : To some extent
    4 : To a large extent
    5 : To a very large extent

In determining the choice of retail service station, I often seek recommendation from my

		To a very large extent	To a large extent	To some extent	To a small extent	To no extent at all
a	Wife	( )	( )	( )	( )	( )
b	Husband	( )	( )	( )	( )	( )
c	Father	( )	( )	( )	( )	( )
d	Mother	( )	( )	( )	( )	( )
e	Sister	( )	( )	( )	( )	( )
f	Brother	( )	( )	( )	( )	( )
g	Uncle	( )	( )	( )	( )	( )
h	Aunt	( )	( )	( )	( )	( )
i	University friends	( )	( )	( )	( )	( )

		To a very large extent	To a large extent	To some extent	To a small extent	To no extent at all
j	Colleagues	( )	( )	( )	( )	( )
k	Social friends	( )	( )	( )	( )	( )
l	Neighbour	( )	( )	( )	( )	( )
M	Rally driver	( )	( )	( )	( )	( )
n	Celebrity in TV	( )	( )	( )	( )	( )
o	Mechanic	( )	( )	( )	( )	( )
p	Professional association	( )	( )	( )	( )	( )
q	Automobile Association of Kenya	( )	( )	( )	( )	( )
r	Social club	( )	( )	( )	( )	( )

6. How important are each of the following reference groups in determining your choice of retail service station ?

		Very Important	Most Important	Important	Slightly Important	Not Important at all
A	Wife	( )	( )	( )	( )	( )
B	Husband	( )	( )	( )	( )	( )
C	Father	( )	( )	( )	( )	( )
D	Mother	( )	( )	( )	( )	( )
E	Sister	( )	( )	( )	( )	( )
F	Brother	( )	( )	( )	( )	( )
G	Uncle	( )	( )	( )	( )	( )
H	Aunt	( )	( )	( )	( )	( )
I	University friends	( )	( )	( )	( )	( )
J	Colleagues	( )	( )	( )	( )	( )
K	Social friends	( )	( )	( )	( )	( )
L	Neighbour	( )	( )	( )	( )	( )
M	Rally driver	( )	( )	( )	( )	( )
N	Celebrity in TV	( )	( )	( )	( )	( )
O	Mechanic	( )	( )	( )	( )	( )
P	Professional association	( )	( )	( )	( )	( )
Q	Automobile Association of Kenya	( )	( )	( )	( )	( )
R	Social club	( )	( )	( )	( )	( )

SECTION C:

7. Fuel retailing is the sale of regular, premium, unleaded premium, diesel and kerosene fuels in retail service stations. Kindly indicate which of these fuel products you purchase at a retail service station (Please tick all that apply)

A	Regular	( )
B	Premium	( )
C	Unleaded premium	( )
D	Diesel	( )
E	Kerosene	( )

8. Non Fuel Retailing this is the sale of Liquefied Petroleum Gas (LPG), oil top up and oil change, auto repair services, tyre repair and servicing, car and engine wash. Kindly indicate which of these non fuel products you purchase at a retail service station (please tick all that apply)

A	Liquified Petroleum Gas (LPG)	( )
B	Lubricating oil	( )
C	Tyre repair or servicing	( )
D	Car wash	( )
E	Engine wash	( )

9. Convenient retailing is the sale of all other non fuel and auto related product in retail service stations. It includes sale of food, baking and pastry sales, provision of banking and pharmaceutical services and convenience shopping. Kindly indicate which of these convenience retailing services you purchase at a retail service station (please tick all that apply)

A	Buying food	( )
B	Buying pastry products	( )
C	Utilising the ATM facilities	( )
D	Getting pharmaceutical services	( )
E	Convenience shopping	( )

The following statements relate to why one would seek information from others before choosing either fuel retailing, non fuel retailing or convenience retailing services. Against each statement, please tick the service option(s), which best describes your behaviour.

		Yes	No	Do not know
Informative Influence				
10	I seek information about various brands of the product from an independent group of experts or those who work with the product as a profession when deciding on			
	a. type of fuel to purchase (either premium, unleaded, diesel, kerosene)	( )	( )	( )
	b. type of non fuel service e.g. tyre repair service, lubricating oil, cooking gas, engine wash	( )	( )	( )
	c. convenience service e.g. buying food,pastries, ATM, shopping, pharmaceutical services	( )	( )	( )
11	I seek brand-related knowledge and experience (such as how Brand A compares to Brand B) from those friends, neighbours, relatives or work associates who have reliable information about the brands, when deciding on			
	a. type of fuel to purchase (either premium, unleaded, diesel, kerosene)	( )	( )	( )
	b. type of non fuel service e.g. tyre repair service, lubricating oil, cooking gas, engine wash	( )	( )	( )
	c. convenience service e.g. buying food,pastries, ATM, shopping, pharmaceutical services	( )	( )	( )
12	I observe what experts do in deciding on my choice of a brand (such as observing the type fuel and products that rally drivers buy) before deciding on			
	a. type of fuel to purchase (either premium, unleaded, diesel, kerosene)	( )	( )	( )
	b. type of non fuel service e.g. tyre repair service, lubricating oil, cooking gas, engine wash	( )	( )	( )
	c. convenience service e.g. buying food, pastries, ATM, shopping, pharmaceutical services	( )	( )	( )
		Yes	No	Do not know
Comparative Influence				
13	I feel that the purchase or use of the following services will enhance the image that others have of me when deciding on			
	a. type of fuel to purchase (either premium,	( )	( )	( )

unleaded, diesel, kerosene)

b. type of non fuel service e.g. tyre repair service, ( ) ( ) ( )
lubricating oil, cooking gas, engine wash

c. convenience service e.g. buying food, pastries, ( ) ( ) ( )
ATM, shopping, pharmaceutical services

14 I feel that the purchase of the following services helps show
others what i would like to be (such as a successful business
person, etc), when deciding on

a. type of fuel to purchase (either premium, ( ) ( ) ( )
unleaded, diesel, kerosene)

b. type of non fuel service e.g. tyre repair service, ( ) ( ) ( )
lubricating oil, cooking gas, engine wash

c. convenience service e.g. buying food, pastries, ( ) ( ) ( )
ATM, shopping, pharmaceutical services

15 I feel that those who purchase the following services possess
the characteristics that i would like to have

a. type of fuel to purchase (either premium, ( ) ( ) ( )
unleaded, diesel, kerosene)

b. type of non fuel service e.g. tyre repair service, ( ) ( ) ( )
lubricating oil, cooking gas, engine wash

c. convenience service e.g. buying food, pastries, ( ) ( ) ( )
ATM, shopping, pharmaceutical services

16 I sometimes feel that it would be nice to be like the type of
person advertisements show using the following services

a. type of fuel to purchase (either premium, ( ) ( ) ( )
unleaded, diesel, kerosene)

b. type of non fuel service e.g. tyre repair service, ( ) ( ) ( )
lubricating oil, cooking gas, engine wash

c. convenience service e.g. buying food, pastries, ( ) ( ) ( )
ATM, shopping, pharmaceutical services

17 I feel that the people who purchase a particular brand are
admired or respected by others, in deciding my purchase of

a. type of fuel to purchase (either premium, ( ) ( ) ( )
unleaded, diesel, kerosene)

b. type of non fuel service e.g. tyre repair service, ( ) ( ) ( )
lubricating oil, cooking gas, engine wash

c. convenience service e.g. buying food, pastries, ( ) ( ) ( )
ATM, shopping, pharmaceutical services

	Yes	No	Do not know
Normative Influence			

18   My decision to purchase the following services is influenced by
     the preferences of people with whom I have social interaction.

     a. type of fuel to purchase (either premium,   ( )   ( )   ( )
         unleaded, diesel, kerosene)

     b. type of non fuel service e.g. tyre repair service,   ( )   ( )   ( )
         lubricating oil, cooking gas, engine wash

     c. convenience service e.g. buying food, pastries,   ( )   ( )   ( )
         ATM, shopping, pharmaceutical services

19   My decision to purchase the following brands is influenced by
     the preferences of people with whom I work with

     a. type of fuel to purchase (either premium,   ( )   ( )   ( )
         unleaded, diesel, kerosene)

     b. type of non fuel service e.g. tyre repair service,   ( )   ( )   ( )
         lubricating oil, cooking gas, engine wash

     c. convenience service e.g. buying food, pastries,   ( )   ( )   ( )
         ATM, shopping, pharmaceutical services

20   My decision to purchase the following services is influenced by
     the preferences of family members

     a. type of fuel to purchase (either premium,   ( )   ( )   ( )
         unleaded, diesel, kerosene)

     b. type of non fuel service e.g. tyre repair service,   ( )   ( )   ( )
         lubricating oil, cooking gas, engine wash

     c. convenience service e.g. buying food, pastries,   ( )   ( )   ( )
         ATM, shopping, pharmaceutical services

21   My decision to purchase the following services is influenced by
     the preferences of my professional association

     a. type of fuel to purchase (either premium,   ( )   ( )   ( )
         unleaded, diesel, kerosene)

     b. type of non fuel service e.g. tyre repair service,   ( )   ( )   ( )
         lubricating oil, cooking gas, engine wash

     c. convenience service e.g. buying food, pastries,   ( )   ( )   ( )
         ATM, shopping, pharmaceutical services

22   My desire to satisfy the expectations that others have of me
     influences my   ( )   ( )   ( )

     a. type of fuel to purchase (either premium,   ( )   ( )   ( )
         unleaded, diesel, kerosene)

     b. type of non fuel service e.g. tyre repair service,   ( )   ( )   ( )
         lubricating oil, cooking gas, engine wash

     c. convenience service e.g. buying food, pastries,   ( )   ( )   ( )
         ATM, shopping, pharmaceutical services

Thank you for your co-operation